DOCUMENT RESUME

ED 114 516 CE 005 306

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TITLE Accounting Clerk Guide, Instructor Packet--Part II. A Spec Unit for the 10th, 11th, or 12th Grade. A Career Education Unit (An Edited Developmental Draft).
INSTITUTION Mesa Public Schools, Ariz.
SPONS AGENCY Arizona State Dept. of Education, Phoenix.
REPORT NO VT-102-086
PUB DATE Jun 73
NOTE 175p.; For related documents, see CE 005 305 and CE 005 307-312

EDRS PRICE MF-$0.76 HC-$8.24 Plus Postage
DESCRIPTORS *Accounting; *Answer Keys; Business Education; Clerical Occupations; Individualized Instruction; Pilot Projects; Post Testing; Pretests; *Secondary Education; *Teaching Guides; Unit Plan

ABSTRACT

The instructor packet is part of an eight volume unit for grades 10, 11, and 12, designed for individualized progression in preparing students for entry into the occupation of accounting clerk. The instructor packet lists performance objectives, vocabulary, learning tasks, and supplemental activities for lessons 12 through 21. Pretest and post-test keys are also included. The unit is concerned with the basic accounting theory as it is used with the combination journal and subsidiary ledgers. It also acquaints the student with payroll procedures and data processing for accounting. The material presented is closely coordinated with the other documents in the eight volume accounting unit. (NJ)

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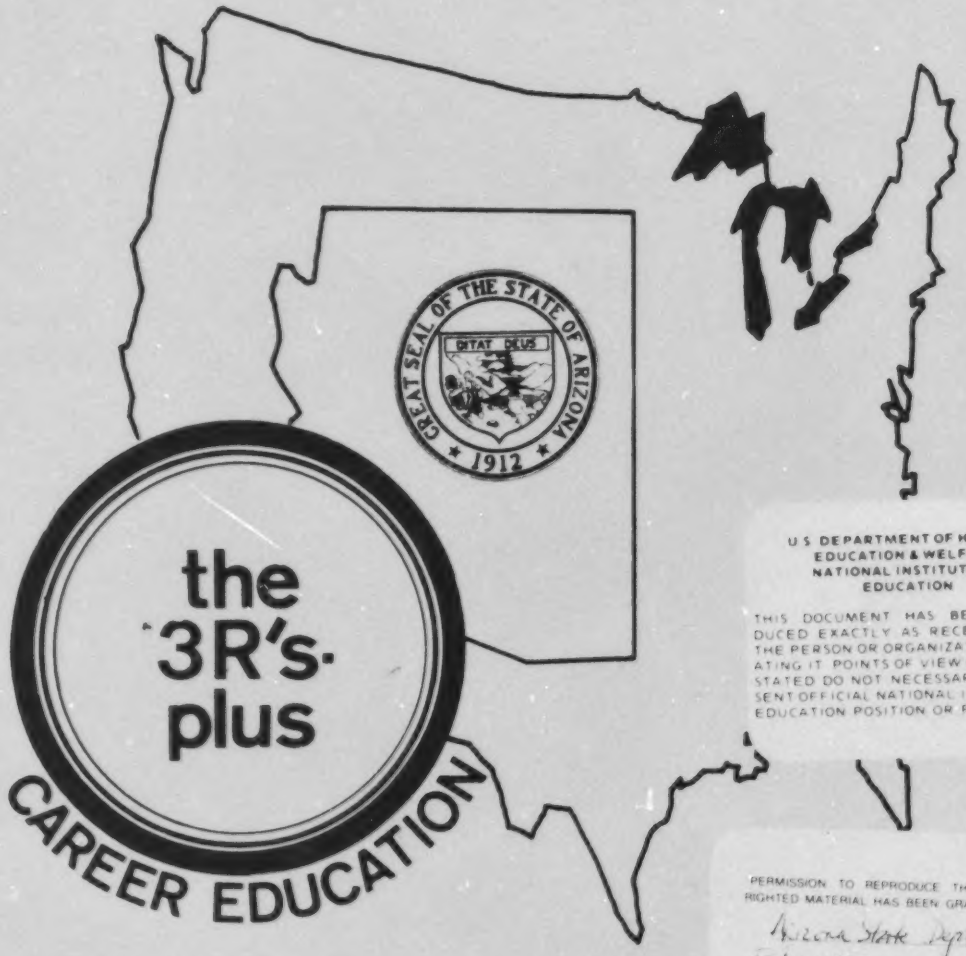
AN INSTRUCTIONAL UNIT



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CE005306

INSTRUCTOR PACKET
ACCOUNTING CLERK
GUIDE – PART 11

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Arizona Department of Education
W.P. Shofstall, Superintendent

ACCOUNTING CLERK GUIDE

A SPEC UNIT FOR THE

10TH, 11TH, OR 12TH GRADE

A CAREER EDUCATION UNIT

(AN EDITED DEVELOPMENTAL DRAFT)

Originally developed by:

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Mary Lou Irwin
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VT-102-086

MESA PUBLIC SCHOOLS

June, 1973

This Career Education instructional unit was developed pursuant to a grant from the Arizona State Department of Education. However, the opinions expressed herein do not necessarily reflect the position or policy of the Arizona State Department of Education, and no official endorsement should be inferred. This unit is in its prepilot state and is subject to revision.

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CAREER EDUCATION RATIONALE

"Reinforcing the three R's - relevance through Career Education" is the refrain echoing across the country today.

Career Education combines the academic world with the world of work. It must be available at all levels of education from kindergarten through the university. A complete program of Career Education includes awareness of the world of work, broad exploration of occupations, in-depth exploration of selected clusters, and career preparation for all students. This calls for all basic educational subjects to incorporate Career Education as the major activity throughout the curriculum.

GOALS OF CAREER EDUCATION

LEARNING TO LIVE - means promoting the learners' awareness of their capabilities and developing their ability to deal with leisure time and society in general.

LEARNING TO LEARN - involves motivating the learners so that they want to learn the basic educational subjects. This can be done by making the subjects meaningful and by relating them to the real world of work.

LEARNING TO MAKE A LIVING - means preparing learners so that they have the capability to support themselves economically and to become productive members of the community.

ACKNOWLEDGEMENT

The Center for Career Development of the Mesa Public Schools. would like to gratefully acknowledge permission from South-Western Publishing Company to use accounting forms and materials from Century 21 Accounting Teacher's Reference Guide and 20th Century Bookkeeping and Accounting Working Papers and Study Guides in the Accounting Clerk Guide.

The materials were reproduced by special permission of the publisher from Lewis D. Boynton et. al., Century 21 Accounting Teacher's Reference Guide (Cincinnati: South-Western Publishing Co., 1972), pp. F-1 through F-28, and Lewis D. Boynton et. al., 20th Century Bookkeeping and Accounting Working Papers and Study Guides (Cincinnati: South-Western Publishing Co., 1967), pp. 117, 231, 234, 255, 256, and 258.

INSTRUCTOR'S PACKET

PURPOSE OF UNIT

This unit is designed to provide the knowledge necessary for entry into a position of an accounting clerk. Opportunities are included to learn accounting theory, payroll systems, and a knowledge of data processing as it applies to accounting.

At two different times, the learner will be asked to review and evaluate his performance in the lessons, and express an opinion concerning the job of accounting clerk as a possible career choice.

The basic accounting skills that the learner acquires will also help him manage personal business affairs and provide a foundation for future study in accounting.

Part I of the unit is concerned with the basic accounting theory found in the accounting cycle.

Part II of the unit is concerned with the basic accounting theory as it used with the combination journal and subsidiary ledgers. The learner will also become acquainted with payroll procedures and data processing for accounting.

UNIT DESIGN

This unit has been written for use at the 10th, 11th, and 12th grade levels. It is designed for individualized progression, with a suggested time schedule that may serve as a pacing device for the learner. The unit may also be used with large and small groups of learners.

The lessons are designed for use with a high school accounting textbook such as Century 21 Accounting or Accounting 10/12, Second Edition.

There are four sections in this unit - an Instructor's Packet, a Learner's Packet, and Exercise and Worksheet Packet, and a Test Packet.

The Instructor's Packet includes an overview of what the learner is doing, a listing of the performance objectives, a suggested lesson time, a list of new vocabulary words used in the lesson, and instructions that are needed to guide the learner through each lesson. A listing of the learner's tasks, a list of supplemental activities and the pretest and posttest keys for the lesson are also included. It is recommended that the instructor read through the Learner's Packet.

The Learner's Packet contains everything the learner will need for the lessons with the exception of the tests and the working papers that accompany the textbook assignments. He is told the purpose of the lesson, the approximate time for completing it, new vocabulary words, prerequisite knowledge he will need, and special concerns that are unique to the lesson. He is given step-by-step instructions for each task. The packet includes worksheets and exercise sheets, along with any self-check keys he needs.

The Exercise and Worksheet Packet contains a copy of every worksheet and exercise sheet the learner has in his packet. The instructor can duplicate these pages if the packet itself is to be saved for other learners. He will need to instruct the learner to use the sheets he gives him rather than the ones in his packet.

The Test Packet includes only the pretests and posttests. This makes the tests easier to find when the learner wants them and easier to duplicate. Under "Assessment Procedures" in each lesson the instructor will be given instructions on how to score the pre- and posttests.

The instructor will determine the number of possible points for each test question.

This unit lends itself to many learning situations, such as the open classroom, flexible scheduling, and the non-graded class.

General Directions

for Use of the Unit

The instructor should be available to assist the learner and evaluate the learning activities. Completed learning activities that are submitted to the instructor will have a cover sheet where he may respond to the learner's work and comments.

The Teacher's Edition of the Working Papers and Study Guides for Century 21 Accounting or the workbook key for other accounting textbooks that may be used with the unit should be made available to the learner so that he may check work assigned in the lessons.

The instructor will administer the pretests and posttests when the learner requests them. The instructor and learner will discuss each posttest. If the learner does not satisfactorily complete the posttest, additional assignments from the list of supplemental materials in the instructor's packet may be assigned before the posttest is taken again. When the learner has satisfactorily completed the posttest, he may go on to the next lesson.

At specific intervals the instructor will require the learner to complete all posttests before proceeding in the unit, if the learner has not successfully completed a pretest or posttest for each performance objective.

The instructor and the learner will keep a record of all performance objectives completed by the learner.

If the adding machine and/or calculating machine are used with the unit, the instructor should be familiar with their proper use so that he may instruct the learner in the proper use of the machine.

INSTRUCTOR'S MASTER COPY FOR THE LEARNER INFORMATION SHEET

COVER SHEET

THIS SHEET MUST BE COMPLETED IN FULL.

Name _____ Period No. _____

Problems _____ Date _____

For Instructor's Use

PROMPTNESS

Ahead of Schedule	On Schedule	Behind Schedule
☐	☐	☐

NEATNESS

Satisfactory	Unsatisfactory
☐	☐

CONTENT

Complete	Incomplete
☐	☐
Satisfactory	**Unsatisfactory**
☐	☐

ATTACH THIS SHEET TO ASSIGNED TASKS

INSTRUCTOR RECORD SHEET

Lesson	12		13		14		15	
Name	Pre	Post	Pre	Post	Pre	Post	Pre	Post

Comments:

INSTRUCTOR RECORD SHEET

Lesson	16		17		18		19	
Name	Pre	Post	Pre	Post	Pre	Post	Pre	Post

Comments:

INSTRUCTOR RECORD SHEET

Lesson	20		21	
Name	Pre	Post	Pre	Post

Comments:

LESSON TWELVE

HOW TO RECORD FINANCIAL TRANSACTIONS IN A COMBINATION JOURNAL

PURPOSE

In this lesson the learner will learn how to record financial transactions for a merchandising business in a combination journal. He will also study the proprietor's drawing account.

PERFORMANCE OBJECTIVES

The learner will define a combination journal and describe its significance.

The learner will describe two advantages of the combination journal over the cash journal.

Given a list of accounting transactions and a combination journal form, the learner will record the transaction in the combination journal.

Given a combination journal with data, the learner will complete it by pencil footing the journal, proving cash, and totaling and ruling the journal.

LESSON TIME

Pretest - 45 minutes
Lesson - 90 minutes
Posttest - 45 minutes

NEW VOCABULARY

Combination journal

Merchandise

Cost of merchandise

Purchase order

Purchase on account

Purchase invoice

Invoice

Sales invoice

Sale on account

Memorandum

Withdrawals

Drawing account

Correcting entry

PREREQUISITE KNOWLEDGE

The learner will need to recall the effects of financial transactions on ledger accounts, the four steps that are followed when journalizing, how to prove cash, and how to total and rule a journal.

RESOURCES INCLUDED WITH LESSON

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	*Learner Record Sheet 4*	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet	Posttest	*Combination Journal Worksheet*
	Exercise Sheet Key		
	Combination Journal Worksheet		
	Combination Journal Worksheet Key		

Special Activities or Concerns

None

Overview

A combination journal is a multi-column journal in which all of the financial transactions of a business may be recorded. The combination journal is very flexible because of the multiple columns, so it is a popular journal to use. Several separate journals are not needed when a combination journal is used by a business.

Some high school bookkeeping and accounting textbooks do not introduce the combination journal this early in the course of study. It is discussed here because its ability to show an overall picture of journalizing transactions will help the learner develop competency in recording transactions.

During this lesson, the learner may want to review the steps for finding errors in the trial balance since many of the steps are also used to find errors in a combination journal that will not balance.

Learner Tasks

1. Read Chapter 12, pages 186 through 205 in Century 21 Accounting. (Accounting 10/12 discusses the combination journal in Part 4, Chapter 1, pages 512 through 520. Although the procedures for using the journal are the same in both textbooks, the difficulty of the examples and problems in Accounting 10/12 limits using the text at this time.)

2. On the exercise sheet in the lesson, write the definition of a combination journal and describe its significance.

3. On the exercise sheet in the lesson, describe two advantages of the combination journal over the cash journal.

4. Check the answers to these exercises, using the exercise sheet key.

5. Do Problem 12-1 in Century 21 Accounting. Check the problem, using the teacher's edition of the workbook.

6. Complete the *Combination Journal Worksheet* according to the instructions given.

7. Check the worksheet, using the key.

SUPPLEMENTAL ACTIVITIES

1. After the learners have read the material assigned in the text, Chapter 12 in Century 21 Accounting, a classroom lecture may be given with emphasis on the following points:

   a. Cost of merchandise section of the ledger

   b. Recording purchases and sales on account

   c. Use of the combination journal

   d. Owner's drawing account

   e. Subsidiary ledgers (Briefly discuss this, as it will be studied in greater detail in the next lesson.)

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner:

   a. Cases 1 and 2, page 206

   b. Bonus Problem 12 - B, page 210

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 12:

   a. Study Questions on page 206

   b. Study Guide 12 in workbook

   c. Drill 12 - D1, pages 206 and 207

   d. Mastery Problem 12 - M, pages 208 through 210

   e. Review Problem 12 - R1, pages 707 and 708

ASSESSMENT PROCEDURES

In order to pass the pretest, the learner should have a score of 90 or better. If he passes the pretest, he may progress to the next lesson.

In order to pass the posttest, the learner should have a score of 90 or better.

LESSON TWELVE

PRETEST KEY

1. Define a combination journal and describe its significance.

   A combination journal is a multi-column journal in which all the entries of a business can be recorded.

2. Describe two advantages of the combination journal over the cash journal.

   a. It is flexible because of multiple columns.

   b. Fewer journals are needed.

3. Record the following transactions on page 1 in the combination journal.

   a. December 1, 19__

      Purchased merchandise on account from Wilson Wholesalers, $640.00. Purchase invoice number 40.

   b. December 7, 19__

      Paid on account to Wilson Wholesalers, $200.00. Check number 151.

   c. December 8, 19__

      Sold merchandise on account to Ron Woods Co., $175.00. Sales invoice number 68.

   d. December 10, 19__

      Received on account from John French Co., $35.00. Receipt number 101.

   e. December 10, 19__

      Paid delivery expense, $45.00. Check number 152.

   f. December 12, 19__

      Bought supplies on account from Garcia Supply Company, $125.00. Memorandum number 86.

Page 1

COMBINATION JOURNAL

1	2					3	4
Cash						General	
Debit	Credit	Date	Account Title	Doc. No.	P.R.	Debit	Credit
		Dec 1	Wilson Wholesalers	P40			
	20000	7	Wilson Wholesalers	CR151			
		8	Low Woods Co.	368			
3500		10	John French Co.	R101			
	4500	10	Delivery Expense	CR152		4500	
		12	Supplies	M86		12500	
			Garcia Supply Co.				

Page 4

COMBINATION JOURNAL

Cash Debit	Cash Credit	Date	Account Title	Doc. No.	P.R.	General Debit	General Credit
		Dec 19-- 1	Cash Balance $3000.00		✓		
	40000	1	Rent Expense	CR1		40000	
	10000	1	Supplies	CR2		10000	
30000		2	✓	R101			
	7500	3	Delivery Expense	CR3		7500	
	12500	4	Utilities Expense	CR4		12500	
	5000	4	Miscellaneous Exp.	CR5		5000	
150000		7	✓	R102			
	3500	8	Office Equipment	CR6		3500	
		9	Runyan Wholesalers	P41			
5000		11	Office Equipment	R103			5000
120000		14	✓	R104			
	5500	16	Office Furniture	CR7		5500	
		18	Garcia Supply Co.	P42			
	3300	21	Miscellaneous Exp.	CR8		3300	
		21	Dick Hall	P43			
140000		21	✓	R105			
		24	Edward Johns	S26			
	10000	24	Runyan Wholesalers	CR9			
160000		28	✓	R106			
		28	J. Lewis Small Co.	P44			
	1800	29	Miscellaneous Exp.	CR10		1800	
605000	99100					99100	5000
605000	99100	31	Totals			99100	5000

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FOR MONTH OF December 19-- Page 4

	5	6	7	8	9	10	
	Accounts Receivable		Sales	Accounts Payable		Purchases	
	Debit	Credit	Credit	Debit	Credit	Debit	
1							1
2							2
3							3
4			30000				4
5							5
6							6
7							7
8			150000				8
9							9
10					57500	57500	10
11							11
12			120000				12
13							13
14					15500	15500	14
15							15
16					100000	100000	16
17			140000				17
18	180000		180000				18
19				10000			19
20			160000				20
21					80000	80000	21
22							22
23	180000	00	280000	10000	353000	353000	23
24							24
25							25
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36

LESSON TWELVE

POSTTEST KEY

1. Define a combination journal and describe its significance.

   A multi-column journal in which all the entries of a business can be recorded.

2. Describe two advantages of the combination journal over the cash journal.

   a. It is flexible because of multiple columns.

   b. Fewer journals are needed.

3. Mr. Bob Pultz, a retail hardware dealer, completed the following transactions during the month of July of the current year. Record the transactions completed from July 1 through July 14 on page 2 in the combination journal.

   19__
   July 1 - Issued check no. 61 for $350.00 for the July rent.

   2 - Received $138.40 from Henry King on account, receipt no. 401.

   3 - Purchased merchandise on account from Thompson Bros., $406.32, purchase invoice no. 89.

   4 - Sold merchandise on account to Mary Irwin, $81.19, sales invoice no. 104.

   5 - Received $218.28 from Arlis Jackson on account, receipt no. 402.

   5 - Cash sales for July 1 - 5, $283.58, tape no. 5.

   8 - Issued check no. 62 for $296.57 to Hiffington Company on account.

   9 - Issued check no. 63 for $63.78 for a cash purchase of merchandise.

10 - Purchased merchandise on account from Foss Bros., $621.11, purchase invoice no. 90.

11 - Received $25.00 for an old display case (store equipment), receipt no. 403.

14 - Issued check no. 64 for $15.00 for advertising (advertising expense).

Page 2

COMBINATION JOURNAL

	1 Cash Debit	2 Cash Credit	Date	Account Title	Doc. No.	P.R.	3 General Debit	4 General Credit
1		350.00	July 1	Rent Expense	CR61		350.00	
2	138.40		2	Henry King	R401			
3			3	Thompson Bros.	P89			
4			4	Mary Irwin	S104			
5	218.28		5	Arbes Jackson	R402			
6	283.58		5	✓	T5			
7		296.57	8	Hiffington Co	CR62			
8		63.78	9	✓	CR63			
9			10	Foss Bros.	P90			
10	25.00		11	Store Equipment	R403			25.00
11		15.00	14	Advertising Expense	CR64		15.00	
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								

28

FOR MONTH OF July 19-- Page 2

	5	6	7	8	9	10
	Accounts Receivable Debit	Accounts Receivable Credit	Sales Credit	Accounts Payable Debit	Accounts Payable Credit	Purchases Debit
1						
2		1,398.40				
3					406.32	406.32
4	81.19		81.19			
5		217.28				
6			283.58			
7				298.57		
8						63.78
9					1,211.11	1,211.11
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
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32						
33						
34						
35						
36				29		

4. Complete the following tasks in regard to the combination journal:

   a. Foot all the columns of the combination journal and prove the equality of debits and credits in the journal.

   b. Prove cash. Checkbook balance $2204.38

Beginning balance	$ 976.50
Cash received	3095.78
Cash available	4072.28
Cash paid out	1867.90
Balance on hand	2204.38

   c. Total and rule the combination journal.

Page 3

COMBINATION JOURNAL

1 Cash Debit	2 Cash Credit	Date	Account Title	Doc. No.	P.R.	3 General Debit	4 General Credit
		May 1	Balance on hand $976.50		✓		
		1	Hibbert Bros.	P4			
	300.00	1	Rent Expense	Ck40		300.00	
		3	L. B. Dover	S6			
160.00		4	Michael Wong	R21			
	320.00	5	✓	Ck41			
720.50		6	✓	R22			
	420.00	7	Wright Bros.	Ck42			
	34.50	9	Supplies	Ck43		34.50	
	64.80	10	Office Supplies Co.	Ck44			
30.00		11	Office Equipment	R23			30.00
		12	Black Wholesalers	P5			
880.13		13	✓	R24			
		17	Hillman Bros.	P6			
	60.00	18	Office Supply Co.	Ck45			
	24.60	19	Advertising Expense	Ck46		24.60	
84.65		21	David Tininenko	R25			
		22	G. E. Kjornvik	S7			
620.50		23	✓	R26			
		24	Ronald Bear	S8			
	300.00	26	Lawson Wholesalers	Ck47			
600.00		27	✓	R27			
	44.00	31	Supplies	Ck48		44.00	
	300.00	31	B. Blake Drawing	Ck49		300.00	
3095.78	1867.90					703.10	30.00
3095.78	1867.90	31	Totals			703.10	30.00

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FOR MONTH OF May 19-- Page 3

	5	6	7	8	9	10	
	Accounts Receivable		Sales	Accounts Payable		Purchases	
	Debit	Credit	Credit	Debit	Credit	Debit	
1							1
2					43000	43000	2
3							3
4	3675		3675				4
5		16000					5
6						32000	6
7			72050				7
8				43000			8
9							9
10				6480			10
11							11
12					43210	43210	12
13			88013				13
14					28080	28080	14
15				6000			15
16							16
17		8465					17
18	18225		18225				18
19			6250				19
20	2280		2280				20
21				30000			21
22			60000				22
23							23
24							24
25	24180	24465	306293	84480	114290	146290	25
		24465	306293	84480	114290	146290	
26							26
27							27
28							28
29							29
30							30
31							31
32							32
33							33
34							34
35							35
36							36

LESSON THIRTEEN

HOW TO POST THE COMBINATION JOURNAL TO THE GENERAL AND SUBSIDIARY LEDGERS

PURPOSE

In this lesson the learner will be introduced to two subsidiary ledgers and their controlling accounts. He will also learn how to post from the combination journal and review how to locate errors in the trial balance or other accounting reports when they do not balance.

PERFORMANCE OBJECTIVES

The learner will list the names of two subsidiary ledgers and their controlling accounts.

The learner will list the five steps used in posting the individual entries and special columns in a combination journal.

Given a totaled and ruled combination journal, as well as the necessary general and subsidiary ledger forms, the learner will post the journal to the appropriate ledgers.

Given a subsidiary ledger and an accounting report form, the learner will prepare the appropriate schedule for the ledger.

Given an incorrect trial balance and the accompanying ledger, the learner will correct the errors.

Lesson Time

Pretest - 45 minutes
Lesson - 90 minutes
Posttest - 45 minutes

New Vocabulary

General ledger

Subsidiary ledger

Controlling account

Accounts receivable ledger

Accounts payable ledger

Schedule of accounts receivable

Schedule of accounts payable

Prerequisite Knowledge

The learner should know the purpose of the ledger, the five steps in posting to the ledger, and the seven steps for finding errors when a trial balance does not balance.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	*Trial Balance Worksheet*
	Trial Balance Worksheet		
	Trial Balance Worksheet Key		

Special Activities or Concerns

All objectivies on *Learner Record Sheet* 4 must be signed before the learner may continue in the lessons.

Overview

The learner will follow the five steps for posting to the ledger and post the combination journal. The posting will concern both individual entries and special columns.

In this lesson the learner will be introduced to two subsidiary ledgers and their controlling accounts: accounts receivable and accounts payable. He will also learn how to prove the accounts receivable or accounts payable ledger with the appropriate controlling account and prepare a schedule of accounts receivable or a schedule of accounts payable.

Learner Tasks

1. Read Chapter 13, pages 211 through 234 in Century 21 Accounting. (Subsidiary ledgers are discussed in Accounting 10/12 in conjunction with the purchases journal and sales journal on pages 248 through 253 and 285 through 288).

2. List the names of two subsidiary ledgers and their controlling accounts on the exercise sheet.

3. List on the exercise sheet the five steps used in posting the individual entries and special columns in a combination journal.

4. Check your answers to these tasks, using the exercise sheet key.

5. Complete Problem 13-1 on pages 236 through 238 in the textbook. Check the problem, using the teacher's edition of the workbook.

6. Complete the *Trial Balance Worksheet* according to the instructions given. Check the worksheet using the worksheet key.

Supplemental Activities

1. After the learners have read the assigned textbook material, Chapter 13, pages 211 through 234, a classroom lecture may be given with emphasis on the following points:

   a. Posting from the combination journal

      (1) To the general ledger
      (2) To the subsidiary ledgers
      (3) To the general ledger from special columns in the journal

   b. Proving the accuracy of posting

      (1) With the trial balance
      (2) With a schedule of accounts for a subsidiary ledger

2. Additional assignments from Century 21 Accounting that may be used in this lesson with the accelerated learner include:

   a. Cases 2 and 3, page 235

   b. Bonus Problem 13-B, page 238

3. Additional assignments from Century 21 Accounting that may be used in this lesson include:

   a. Study Questions on pages 234 and 235

   b. Study Guide 13 in the workbook

   c. Mastery Problem 13-M, page 238

   d. Review Problem 13-1, pages 708 through 710.

Assessment Procedures

No deviation from normal procedures

LESSON THIRTEEN

PRETEST KEY

1. List two subsidiary ledgers and their controlling accounts.

   a. Subsidiary ledgers:

      (1) Accounts receivable ledger

      (2) Accounts payable ledger

   b. Controlling accounts:

      (1) Accounts receivable

      (2) Accounts payable

2. List the five steps in posting the individual entries and special columns from the combination journal to the ledgers.

   a. Write the amount of the transaction or special column amount in the ledger.

   b. Total the ledger accounts.

   c. Write the date in the ledger.

   d. Write the post reference in the ledger.

   e. Write the post reference in the combination journal.

3. Post to the appropriate ledgers those accounts that appear in the combination journal.

Page 4

COMBINATION JOURNAL

1	2						3	4
Cash							General	
Debit	Credit	Date	Account Title	Doc. No.	P.R.		Debit	Credit
		Dec. 1	Cash Balance		✓			
	400.00	1	Rent Expense	CR1	63		400.00	
	100.00	1	Supplies	CR2	13		100.00	
300.00		2	✓	R101	✓			
	75.00	3	Delivery Expense	CR3	61		75.00	
	125.00	4	Utilities Expense	CR4	64		125.00	
	50.00	4	Miscellaneous Exp.	CR5	62		50.00	
1500.00		7	✓	R102	✓			
	135.00	8	Office Equipment	CR6	14		135.00	
		9	Runyan Wholesalers	P41	✓			
50.00		11	Office Equipment	R103	14			50.00
1200.00		14	✓	R104	✓			
	55.00	16	Office Furniture	CR7	15		55.00	
		18	Garcia Supply Co.	P42	✓			
	33.00	21	Miscellaneous Exp.	CR8	62		33.00	
		21	Dick Hall	P43	✓			
1400.00		21	✓	R105	✓			
		24	Edward Johns	S26	✓			
	100.00	24	Runyan Wholesalers	CR9	✓			
1600.00		28	✓	R106	✓			
		28	J. Lewis Small Co.	P44	✓			
	18.00	29	Miscellaneous Exp.	CR10	62		18.00	
6050.00	1091.00	31	Totals				991.00	50.00
(11)	(11)						(✓)	(✓)

FOR MONTH OF December 19-- Page 4

	5	6	7	8	9	10
	Accounts Receivable		Sales	Accounts Payable		Purchases
	Debit	Credit	Credit	Debit	Credit	Debit
1						
2						
3						
4			300.00			
5						
6						
7						
8			150.00			
9						
10					575.00	575.00
11						
12			120.00			
13						
14					155.00	155.00
15						
16					100.00	100.00
17			140.00			
18	180.00		180.00			
19				10.00		
20			160.00			
21					80.00	80.00
22						
23	180.00		980.00	10.00	2530.00	2530.00
24	(12)		(41)	(21)	(21)	(51)
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						

40

GENERAL LEDGER

Cash — ACCOUNT NO. 11

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec	31		C4	60 50 00		60 50 00	
	31		C4		10 91 00	49 59 00	

Accounts Receivable — ACCOUNT NO. 12

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec	31		C4	18 00 00		18 00 00	

Supplies — ACCOUNT NO. 13

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec	1		C4	10 00 00		10 00 00	

Office Equipment — ACCOUNT NO. 14

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec	8		C4	1 35 00		1 35 00	
	11		C4		50 00	85 00	

GENERAL LEDGER

Office Furniture — ACCOUNT NO. 15

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec 16		C4	5500		5500	

Accounts Payable — ACCOUNT NO. 21

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec 31		C4		253000		253000
31		C4	10000			243000

Sales — ACCOUNT NO. 41

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec 31		C4		780000		780000

Purchases — ACCOUNT NO. 51

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Dec 31		C4	253000		253000	

GENERAL LEDGER

Delivery Expense — ACCOUNT NO. 61

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Dec 3		C4	75 00		75 00	

Miscellaneous Expense — ACCOUNT NO. 62

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Dec. 4		C4	50 00		50 00	
21		C4	33 00		83 00	
29		C4	18 00		101 00	

Rent Expense — ACCOUNT NO. 63

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Dec 1		C4	400 00		400 00	

Utilities Expense — ACCOUNT NO. 64

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Dec 4		C4	125 00		125 00	

ACCOUNTS RECEIVABLE LEDGER

Name Edward, John

Address 401 E. Apache Blvd. City

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
Dec.	24		CJ	180 00		180 00

Name

Address

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE

Name

Address

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE

ACCOUNTS PAYABLE LEDGER

Name Garcia Co.
Address 123 S. 37 Av. City

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Dec 18		C4		15500	15500

Name Hall, Dick
Address 1422 E. Manhattan Dr. City

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Dec 21		C4		10000	100000

Name Kenyon Wholesale Co.
Address 6902 E. Moreland City

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Dec 9		C4		57500	57500
24		C4	10000		47500

Name Small Co.
Address 5200 E. Main City

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Dec 28		C4		80000	80000

4. Prepare the appropriate schedule by using the accounts receivable subsidiary ledger of L. C. Martin Company.

ACCOUNTS RECEIVABLE LEDGER

Name Carol Bowman

Address 111 West Avenue Tempe, Ariz. 85289

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE
19-- Dec.	1	Balance	✓			17500
	5		50		2500	15000
	15		50		2500	12500
	20		50	7500		20000
	24		50	2500		22500

Name Linda Cooley

Address 222 N. 9 St. Scottsdale, Ariz. 85257

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE
19-- Dec.	1	Balance	✓			30000
	8		50		7500	22500
	27		50		7500	15000
	29		50	2500		17500

Name John French

Address 1000 East Main Mesa, Ariz. 85201

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE

ACCOUNTS RECEIVABLE LEDGER

Name Rosemary Tess

Address 651 Indiana Ave. Phoenix, Ariz. 84

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE

Name Ron Woods

Address 1312 Foreman Tempe, Ariz. 85280

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE

Name

Address

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE

L. C. Martin
Schedule of Accounts Receivable
December 31, 19--

Carol Bowman	230 00	
Linda Conley	175 00	
John French	25 00	
Rosemary Jess	444 00	
Ron Weeks	620 00	
Total		1540 00

5. Below is the trial balance of Bar S Ranch, which is out of balance. Following it are the ledger accounts from which the trial balance was prepared. Find the errors in the trial balance and prepare a corrected one, using the form at the end of this exercise.

Bar S Ranch
Trial Balance
April 30, 19--

Cash	11	48000	
Livestock	12	300000	
Equipment and Machinery	13	2400000	
Barn	14	700000	
Land and Fence	15	3134000	
Accounts Payable	21		460000
Bruce Stevens, Capital	31		2000000
Bruce Stevens, Drawing	32		160000
Sales	41		910500
Feed Expense	51	88800	
Insurance Expense	52	13000	
Interest Expense	53	250000	
Labor Expense	54	260000	
Machine Rental Expense	55	14000	
Supplies Expense	56	63700	
Taxes Expense	57	14000	
Utilities Expense	58	16000	
Veterinary and Medicine Expense	59	11800	
		7313300	7670500

GENERAL LEDGER

Cash — ACCOUNT NO 11

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- April 1	Balance	✓	280 00	April 30		C42	3 800 00
30		C42	4000 00				
	480.00						

Livestock — ACCOUNT NO. 12

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 1	Balance	✓	3000 00				

Equipment and Machinery — ACCOUNT NO 13

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 1	Balance	✓	24 00000				

Barn — ACCOUNT NO 14

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 1	Balance	✓	7000 00				

GENERAL LEDGER

Land and Fence — ACCOUNT NO. 15

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan 1	Balance	✓	31 430 00				

Accounts Payable — ACCOUNT NO. 21

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- April 30		C42	1000 00	19-- April 30	45,000.00	C42	46000 00

Bruce Stevens, Capital — ACCOUNT NO. 31

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
				19-- Jan. 1		✓	20000 00

Bruce Stevens, Drawing — ACCOUNT NO. 32

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- April 30		C42	1600 00				

GENERAL LEDGER

Sales

ACCOUNT NO. 41

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
				19-- Mar. 31	Balance	✓	7105 00
				Apr. 30		C42	2000 00
							9105 00

Feed Expense

ACCOUNT NO. 51

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Feb. 28		C40	400 00				
Mar. 31		C41	300 00				
Apr. 30		C42	180 00				
			880 00				
			880 00				

Insurance Expense

ACCOUNT NO. 52

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 31	Balance	✓	130 00				

Interest Expense

ACCOUNT NO. 53

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 31		C39	500 00				
Feb. 28		C40	500 00				
Mar. 31		C41	500 00				
Apr. 30		C42	500 00				
			2500 00				
			2000 00				

GENERAL LEDGER

Labor Expense — ACCOUNT NO. 54

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
Jan. 31		C39	600 00				
Feb. 28		C40	600 00				
Mar. 31		C41	600 00				
Apr. 30		C42	600 00				
			2 400 00				
			2 400 00				

Machine Rental Expense — ACCOUNT NO. 55

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
Apr. 30		C42	140 00				

Supplies Expense — ACCOUNT NO. 56

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
Feb. 28	Balance	✓	290 00				
Mar. 31		C41	172 00				
Apr. 30		C42	165 00				
			627 00				
			627 00				

Sales Expense — ACCOUNT NO. 57

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
Jan. 31	Balance	✓	140 00				

GENERAL LEDGER

Utilities Expense — ACCOUNT NO 58

DATE	ITEMS	POST REF	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 31		C39	40 00				
Feb. 28		C40	38 00				
Mar. 31		C41	42 00				
Apr. 30		C42	40 00				
			160 00				

Veterinary and Medicine Expense — ACCOUNT NO. 59

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT
19-- Jan. 31		C39	80 00				
Feb. 28		C40	15 00				
Mar. 31		C41	5 00				
Apr. 30		C42	18 00				
			118 00				

ACCOUNT NO. _____

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF	CREDIT

ACCOUNT NO _____

DATE	ITEMS	POST. REF.	DEBIT	DATE	ITEMS	POST. REF.	CREDIT

Box S Ranch
Trial Balance
April 30, 19--

Cash	11	48000	
Livestock	12	300000	
Equipment and Machinery	13	2400000	
Barn	14	700000	
Land and Fence	15	3143000	
Accounts Payable	21		4500000
Bruce Stevens, Capital	31		2000000
Bruce Stevens, Drawing	32	160000	
Sales	41		910500
Feed Expense	51	88000	
Insurance Expense	52	13000	
Interest Expense	53	200000	
Labor Expense	54	240000	
Machine Rental Expense	55	14000	
Supplies Expense	56	62700	
Taxes Expense	57	14000	
Utilities Expense	58	16000	
Veterinary and Medicine Exp.	59	11800	
		7410500	7410500

Lesson Thirteen

Posttest Key

1. List two subsidiary ledgers and their controlling accounts.

   a. Subsidiary ledgers:

      (1) Accounts receivable ledger

      (2) Accounts payable ledger

   b. Controlling accounts:

      (1) Accounts receivable

      (2) Accounts payable

2. List the five steps in posting the individual entries and special columns from the combination journal to the ledgers.

   a. Write the amount of the transaction or special column amount in the ledger.

   b. Total the ledger accounts.

   c. Write the date in the ledger.

   d. Write the post reference in the ledger.

   e. Write the post reference in the combination journal.

3. Post to the appropriate ledgers those accounts that appear in the combination journal.

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COMBINATION JOURNAL

	1	2 Cash Debit	2 Cash Credit	Date	Account Title	Doc. No.	P.R.	3 General Debit	4 General Credit
				Oct. 1	Cash Balance $ 10,250.00		✓		
2		660000		1	John Norman, Capital	R10	31		660000
3				2	Cole Furniture Co.	P31	✓		
4			81900	2	Office Equipment	Ck20	14	81900	
5				3	Richard Foster	S41	✓		
6		128700		4	✓	R11	✓		
7			22500	6	Rent Expense	Ck21	63	22500	
8			140000	7	✓	Ck22	✓		
9		56500		8	✓	R12	✓		
10				9	Jim Martin	S42	✓		
11				10	Ace Furniture Co.	P32	✓		
12			29000	11	Cole Furniture Co.	Ck23	✓		
13		64300		12	✓	R13	✓		
14			4200	14	Office Supplies	Ck24	13	4200	
15		40000		17	Richard Foster	R14	✓		
16				18	Mary Williams	S43	✓		
17		13200		20	Jim Martin	R15	✓		
18			59000	21	Ace Furniture	Ck25	✓		
19			12800	24	Delivery Expense	Ck26	62	12800	
20			5600	25	Advertising Expense	Ck27	61	5600	
21				27	Cole Furniture	P33	✓		
22		52300		28	✓	R16	✓		
23				29	Richard Foster	S44	✓		
24			4300	29	Delivery Expense	Ck28	62	4300	
25				30	Jim Martin	S45	✓		
26		61300		31	✓	R17	✓		
27		1076300	3593300	31	Totals		✓	131300	660000
28		(11)	(11)					(✓)	(✓)
29									
30									
31									
32									
33									
34									
35									
36									

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FOR MONTH OF October 19-- Page 5

	5	6	7	8	9	10
	Accounts Receivable Debit	Accounts Receivable Credit	Sales Credit	Accounts Payable Debit	Accounts Payable Credit	Purchases Debit
1						
2						
3					324000	324000
4						
5	137500		137500			
6			128700			
7						
8						140000
9			56500			
10	43000		43000			
11					130000	130000
12				29000		
13			64300			
14						
15		40000				
16	37900		37900			
17		13200				
18				59000		
19						
20						
21					87100	87100
22			52300			
23	6950		6950			
24						
25	22900		22900			
26			61300			
27	248250	53200	611350	88000	541100	681100
28	(12)	(12)	(41)	(21)	(21)	(51)
29						
30						
31						
32						
33						
34						
35						
36						

GENERAL LEDGER

Cash — ACCOUNT NO. 11

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Oct. 31		C5	10763.00		10763.00	
31		C5		3593.00	7170.00	

Accounts Receivable — ACCOUNT NO. 12

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Oct. 31		C5	2482.50		2482.50	
31		C5		532.00	1950.50	

Office Supplies — ACCOUNT NO. 13

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Oct. 14		C5	42.00		42.00	

Office Equipment — ACCOUNT NO. 14

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
Oct. 2		C5	819.00		819.00	

GENERAL LEDGER

Accounts Payable — ACCOUNT NO. 21

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 31		C5		541100		541100
31		C5	88000			453100

John Norman, Capital — ACCOUNT NO. 31

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 1		C5		660000		660000

Sales — ACCOUNT NO. 41

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 31		C5		611350		611350

Purchases — ACCOUNT NO. 51

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 31		C5	68100		68100	

GENERAL LEDGER

Advertising Expense — ACCOUNT NO 61

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 25		C5	5600		5600	

Delivery Expense — ACCOUNT NO. 62

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 6		C5	12800		12800	
29		C5	4300		17100	

Rent Expense — ACCOUNT NO 63

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT
19-- Oct. 6		C5	22500		22500	

ACCOUNT NO.

DATE	ITEMS	POST. REF.	DEBIT	CREDIT	BALANCE DEBIT	BALANCE CREDIT

ACCOUNTS RECEIVABLE LEDGER

Name Foster, Richard

Address 66 Russell St. City

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
19-- Oct.	3		C5	137500		137500
	17		C5		40000	97500
	29		C5	6950		104450

Name Martin, Jim

Address 34 Hardy Lane City

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
Oct.	9		C5	43000		43000
	20		C5		13200	29800
	30		C5	22900		52700

Name William, Mary

Address P.O. Box 73 City

DATE		ITEMS	POST REF	DEBIT	CREDIT	DEBIT BALANCE
Oct.	9		C5	37900		37900

ACCOUNTS PAYABLE LEDGER

Name Ace Furniture

Address 807 Columbus Dr. City

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Oct.	1	Balance	✓			129000
	10		C5		130000	259000
	21		C5	59000		200000

Name Cole Furniture

Address 1024 Claremont City

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
Oct.	2		C5		32400	32400
	11		C5	29000		29500
	27		C5		87100	38210

Name

Address

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE

Name

Address

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE

4. Prepare a schedule of accounts receivable and accounts payable for the Russ Allen Company.

ACCOUNTS RECEIVABLE LEDGER

Name Jerry Ferguson
Address 4217 N. 49 Ave.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
Nov.	3		C6	37500		37500
	17		C6		10000	27500
	29		C7	6950		34450

Name Lloyd Herdman
Address 3341 N 40 Ave.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
Nov.	18		C6	39700		39700

Name Rodney Richmond
Address 409 N. 97 St.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	DEBIT BALANCE
Nov.	9		C6	13000		13000
	20		C7		13000	—
	30		C7	12900		12900

ACCOUNTS RECEIVABLE LEDGER

Name Jon Stewart

Address 3919 S 3 Ave

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE
Nov.	1	Balance	✓			32 50 00

Name

Address

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE

Name

Address

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	DEBIT BALANCE

Luas Allen Co.
Schedule of Accounts Receivable
November 30, 19--

Jerry Ferguson	34450	
Lloyd Herman	39700	
Rodney Richmond	12900	
Jim Stewart	325000	
Total		412050

ACCOUNTS PAYABLE LEDGER

Name John Glasgow

Address 333 E. Mulberry Dr.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
19-- Nov.	10		C6		130000	130000
	21		C7	60000		70000

Name Glendale Sports Center

Address 5134 W. Glendale Ave.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
19-- Nov.	2		C6		30000	30000
	8		C7		80000	110000

Name Ben Hamby

Address 3632 W. Pierson

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
19-- Nov.	10		C6		48500	48500
	29		C7	48500		—

Name Carol Herd

Address 12642 N. 24 St.

DATE		ITEMS	POST. REF.	DEBIT	CREDIT	CREDIT BALANCE
19-- Nov.	2		C6		64200	64200
	30		C7	64200		—
	30		C7		12500	12500

Luss Allen Co.
Schedule of Accounts Payable
November 30, 19—

John G Lasgow	70000	
Glendale Sports Center	110000	
Carol Herd	12500	
Totals		192500

5. Locate and correct the error(s) either in the trial balance or ledger accounts.

Bruce Electric Company
Work Sheet
For Month Ending December 31, 19

	Account Title	A. N.	1 Trial Balance Debit	2 Trial Balance Credit	3 Adjustments Debit	4 Adjustments Credit	5 Income Statement Debit	6 Income Statement Credit	7 Balance Sheet Debit	8 Balance Sheet Credit
1	Cash	11	4587 50							
2	Accounts Receivable	12	4554 33							
3	Merchandise Inventory	13	15 196 42							
4	Supplies	14	464 00							
5	Prepaid Insurance	15	209 00							
6	Accounts Payable	21		1507 19						
7	J. J. Bruce, Capital	31		18201 54						
8	J. J. Bruce, Drawing	32	331 06							
9	Income & Expense Sum	33								
10	Sales	41		10781 08						
11	Purchases	51	4095 62							
12	Delivery Expense	61	248 52							
13	Insurance Expense	62								
14	Misc. Expense	63	26 36							
15	Rent Expense	64	170 00							
16	Salary Expense	65	526 00							
17	Supplies Expense	66								
18			30489 41	30489 81						
19										
20										
21										
22										
23										
24										
25										

CASH

4,587.50	

ACCOUNTS PAYABLE

	1,507.19

ACC'T RECEIVABLE

4,554.33	

J. J. BRUCE CAPITAL

	18,201.54

MERCHANDISE INVENTORY

15,196.42	

J. J. BRUCE DRAWING

331.06	

PREPAID INSURANCE

290.00	

INCOME & EXPENSE SUM.

SUPPLIES

464.00	

SALES	
	10,781.08

PURCHASES	
4,095.62	

DELIVERY EXPENSE	
248.52	

RENT EXPENSE	
170.00	

INSURANCE EXPENSE	

SALARY EXPENSE	
526.00	

MISCELLANEOUS EXP.	
26.36	

SUPPLIES EXPENSE	

LESSON FOURTEEN

CHECKING ACCOUNTS

PURPOSE

The learner will learn procedures for opening and depositing money to a checking account. He will write checks, record the appropriate journal transaction, and reconcile bank statements.

PERFORMANCE OBJECTIVES

The learner will list four steps for opening and depositing money to a checking account.

Given a blank check and the information that is needed to complete the check and stub, such as number, date, deposits, bank balance, amount of check, drawer, and payee, the learner will write a check according to the five steps of check writing.

The learner will list the six steps used in reconciling a bank statement.

Given the bank balance and cash balance for a checking account and a list of the outstanding checks, outstanding deposits, and other bank deductions, the learner will reconcile a bank statement.

Given the amount(s) for bank service charges and other charges from a bank statement, and the proper journal, the learner will record the necessary entry or entries.

Lesson Time

Pretest - 45 minutes
Lesson - 60 minutes
Posttest - 45 minutes

New Vocabulary

Depositor	*Drawer*
Checking account	*Payee*
Savings account	*Drawee*
Signature card	*Voiding a check*
Deposit slip	*Bank balance*
ABA numbers	*Bank statement*
Magnetic ink characters	*Cancelled checks*
MICR	*Outstanding checks*
Endorsement	*Outstanding deposits*
Bank endorsement	*Bank service charge*
Endorsement in full	*Reconciling the bank stateme*
Restrictive endorsement	*Dishonored check*

Prerequisite Knowledge

The learner will need to recall the debit and credit theory necessary to record miscellaneous entries in the combination journal.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	*Learner Record Sheet 5*	Pretest	Exercise Sheet
Posttest Key	*Check Writing* Information Sheet	Posttest	
	Exercise Sheet		
	Exercise Sheet Key		

Overview

Opening and depositing money to a checking account, writing checks, recording the necessary transactions, and reconciling bank statements are valuable to the learner for his use on the job and at home.

The learner will become familiar with the procedures for opening checking accounts. These procedures are: (1) fill out a signature card; (2) complete a deposit slip; (3) endorse the checks to be deposited; and (4) obtain a receipt.

He will learn the steps involved in writing checks. There are five steps followed when writing a check. The drawer should write the date, the name of the payee, the amount of the check in figures, and the amount of the check in words. Finally, he should sign his name.

The learner will also know how to reconcile a bank statement. The steps that are used in reconciling a bank statement are: (1) list the check stub balance; (2) deduct the bank service charge and other deductions from this balance; (3) list the bank statement balance; (4) add outstanding deposits to the bank balance; (5) deduct outstanding checks from the bank balance; and (6) compare the adjusted check stub balance and the adjusted bank balance.

Through his reading he will undoubtedly recall and enforce vocabulary words from the lesson that are used in his home. The learner will also be asked to recall this information when making journal entries and completing the payroll section.

LEARNER TASKS

1. Read Chapter 14, pages 239 through 253 in Century 21 Accounting (Accounting 10/12, Chapter 7, pages 124 through 142).

2. On the exercise sheet list four procedures for opening and depositing money to a checking account.

3. Do problem 14-2 on page 256 in Century 21 Accounting. Check the problem using the teacher's edition of the workbook. (Do problem 66 on pages 130 and 131 in Accounting 10/12. Check the problem, using the teacher's edition of the workbook).

4. On the exercise sheet, list six steps in reconciling a bank statement.

5. Check your answers to the two exercises, using the exercise sheet key.

6. Do drills 14-D1, 14-D2, 14-D3, and problem 14-3 on pages 254 through 256 in Century 21 Accounting. Check the problems, using the teacher's edition of the workbook. (Do problem 72 and 73 on page 143 in Accounting 10/12. Check the problems, using the teacher's edition of the workbook).

SUPPLEMENTAL ACTIVITIES

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:

   a. Procedures for opening and depositing money to a checking account

   b. Steps to follow in writing a check

   c. Steps to follow in reconciling a bank statement

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner:

   Cases 1 through 5, page 254

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 14:

   a. Vocabulary, page 253

   b. Study questions, page 253 and 254

   c. Problem 14-1, page 255

   d. Study guide 14 in workbook

ASSESSMENT PROCEDURES

No deviation from normal procedures.

Lesson Fourteen

Pretest Key

1. List four steps for opening and depositing money to a checking account.

   a. Fill out signature card.

   b. Endorse any checks (for deposit only).

   c. Fill out deposit slip.

   d. Obtain a receipt

2. Fill out the stub first, and then the check, with the following information:

Number.	52
Amount.	$8.00
Date.	April 5, 19__
To.	Jan's Dress Shop
For	Clothes
Balance brought forward . .	$70.00
Amount deposited.	$32.00
Total	Determine
Amount this check	$8.00
Balance carried forward . .	Determine
Payee	Student's name

No. 52 Date Apr 5 19 -- $ 8 00/100

To Jan's Dress Shop

For Clothes

BAL BRO'T FOR'D		70 00
DEPOSITED	DATE 19	32 00
TOTAL		102 00
AMT THIS CHECK		8 00
BAL CAR'D FOR'D		94 00

No. 52

64-515/612

April 5, 19 --

Pay to the order of Jan's Dress Shop $ 8 00/100

Eight and 00/100 Dollars

CITIZENS BANK OF AUGUSTA
Augusta, Georgia 30902

Student's name

⑆612⑈515⑆ ⑆162⑈0017⑈04⑆

No. ____ Date ____ 19 ____ $ ____

To ____

For ____

BAL BRO'T FOR'D		94 00
DEPOSITED	DATE 19	
TOTAL		
AMT THIS CHECK		
BAL CAR'D FOR'D		

No. ____

64-515/612

____ 19 ____

Pay to the order of ____ $ ____

____ Dollars

CITIZENS BANK OF AUGUSTA
Augusta, Georgia 30902

⑆612⑈515⑆ ⑆162⑈0017⑈04⑆

3. List the six steps used in reconciling a bank statement.

   a. List the check stub balance.

   b. Deduct the bank service charge from the check.

   c. List the bank statement balance.

   d. Add the outstanding deposits to the bank balance.

   e. Deduct the outstanding checks from the bank statement.

   f. Compare the balances.

Reconciling a Bank Statement for an Individual

The following information relates to the bank account and the cash records of Paul LaFond for December of the current year:

Bank balance, December 31, as shown on the bank statement $882.20

Cash balance, December 31, as shown on the stub for the last check written in December $750.00

Checks outstanding: No. 751. .$121.60
No. 758. .$ 12.00

Service charge by the bank as recorded on the December 31 bank statement . . . . . .$ 1.40

4. Prepare the reconciliation of Mr. LaFond's bank statement.

Paul La Ford

Reconciliation of Bank Statement

December 31, 19--

Balance on check stub, Dec. 31, 19--	750 00	Balance on bank statement, Dec. 31, 19--	882 20
Deduct:		Deduct outstanding checks:	
Service charge for December	1 40	Check No. Amount	
		751 121.60	
		758 12.00	
		Total outstanding checks	133 60
Adj. check stub bal. Dec. 31, 19--	748 60	Adj. bank balance Dec. 31, 19--	748 60

On December 1 of the current year, Warren Hanson received from the Valley National Bank his bank statement for June, his canceled checks, and charge slips as follows: a service charge of $2.00 and a charge of $2.50 for collecting a note.

5. Instructions: In a combination journal record the two charge slips. In each case, debit miscellaneous expense. The explanation of the entry should make clear that the first charge slip is for the bank service charge and the second charge slip is for the collection of a note.

Page 7

COMBINATION JOURNAL

2						3	4
Cash						General	
Debit	Credit	Date	Account Title	Doc. No.	P.R.	Debit	Credit
	2 00	19-- Dec 1	Misc. Exp. - Service Chg.			2 00	
	2 50	1	Misc. Exp. - Collection of Note			2 50	

Lesson Fourteen

Posttest Key

1. List four steps for opening and depositing money to a checking account.

   a. Fill out signature card.

   b. Endorse any checks (for deposit only).

   c. Fill out deposit slip.

   d. Obtain a receipt.

2. Write a check to the City Water Works for the amount of $15.85.

Valley Central Bank
Mesa, Arizona 85281

Current date 197__

Pay To The Order Of City Water Works $15 85/100

Fifteen and 85/100 Dollars

Student's name

3. List the six steps used in reconciling a bank statement.

   a. List the check stub balance.

   b. Deduct the bank service charge from the check stub balance.

   c. List the bank statement balance.

   d. Add the outstanding deposits to the bank balance.

   e. Deduct the outstanding checks from the bank statement.

   f. Compare the balances.

4. Reconcile the following bank statement:

On December 5 of the current year, John West received his November bank statement plus a number of canceled checks. Before attempting to reconcile his bank statement, Mr. West gathers the following information:

a. His bank statement shows a service charge of $2.

b. His current checkbook balance is $550.

c. His bank statement shows a balance of $548.

d. His bank statement does not show the deposit of $70 that he made on November 29.

e. His outstanding checks are No. 120, $40; No. 135, $10; No. 140, $20.

Reconciliation of Bank Statement
December 5, 19__

Balance on Bank Statement December 5, 19__	548.00	Balance on Check Stub, December 5, 19__	550.00
Add: Deposit		Deduct: Service	
in transit	70.00	charge for Nov.	2.00
Deduct: Out-			
standing checks			
No. Amount			
120 40.00			
135 10.00			
140 20.00	(70.00)		
Adjusted bank balance	548.00	Adjusted check stub balance	548.00

On September 1 of the current year, Jerry Jobsky received from the First National Bank his bank statement for July, his canceled checks, and charge slips as follows: a service charge of $2.50 and a charge of $1.50 for collecting a note.

5. Instructions: In a combination journal, record the two charge slips. In each case, debit miscellaneous expense. The explanation of the entry should make clear that the first charge slip is for the bank service charge and the second charge slip is for the collection of a note.

Page 4

COMBINATION JOURNAL

	1	2				3	4	
	Cash					General		
	Debit	Credit	Date	Account Title	Doc. No.	P.R.	Debit	Credit
1		2.50	19-- Sept 1	Misc. Exp. - Service Chg.			2.50	
2		1.50	1	Misc. Exp. - Collect. Note			1.50	
3								
4								
5								
6								
7								
8								
9								

LESSON FIFTEEN

WORK SHEET WITH ADJUSTMENTS

PURPOSE

The eight-column work sheet is introduced for the first time. Emphasis will be placed on the function of adjusting entries and what accounts need adjustment. The learner will also be exposed to two types of inventory and the significance of each type of inventory. He is not required to master the eight-column work sheet or adjusting entries, but he must understand their functions and know how they tie in with the accounting cycle.

PERFORMANCE OBJECTIVES

The learner will describe the primary function of adjusting entries.

The learner will describe one reason why an eight-column work sheet is used rather than a six-column work sheet.

The learner will list three accounts that need adjusting at the end of a fiscal period.

The learner will list two types of inventory and describe their significance.

LESSON TIME

Pretest - 30 minutes
Lesson - 45 minutes
Posttest - 30 minutes

New Vocabulary

Adjustments

Adjusting entries

Inventory

Merchandise inventory

Prepaid insurance

Physical inventory

Perpetual inventory

Learner Prerequisite Knowledge

The learner will need to recall the lesson on the six-column work sheet and its function.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	

Special Activities or Concerns

At this point the learner should have completed all of his pretests and posttests and have the objectives on *Learner Record Sheet 5* initialed by the instructor.

Overview

Emphasis will be placed on some accounts that need to be brought up to date in order that correct financial reports can be made available to the proper individuals. In this lesson the eight-column work sheet is introduced, along with the procedure for using it. The need for inventories is discussed, and two types, physical and pertetual inventories, are illustrated. The next lesson will show how the work sheet is used to prepare the financial statements for a business.

LEARNER TASKS

1. Read Chapter 15, pages 269 through 286 in Century 21 Accounting (Accounting 10/12, Chapter 5, pages 331 through 338 and Chapter 3, pages 238 and 239).

2. On the exercise sheet, describe the primary function of adjusting entries.

3. On the exercise sheet, describe one reason why an eight-column work sheet is used rather than a six-column work sheet.

4. On the exercise sheet, list three accounts that need adjusting at the end of a fiscal period.

5. On the exercise sheet, identify two types of inventory and describe their significance.

6. Check your answers to the above exercises, using the exercise sheet key.

SUPPLEMENTAL ACTIVITIES

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:
   a. Primary function of adjusting entries
   b. Reason for an eight-column work sheet
   c. Types of accounts that need to be adjusted
   d. Types of inventory methods and their significance

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner:
   a. Cases 1 through 4 on page 287
   b. Mastery Problem 15-M and Bonus Problem 15-B on pages 291 and 292

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 15:
   a. Vocabulary, page 286
   b. Study Questions, page 286 and 287
   c. Drills 15-D1, 15-D2, and 15-D3, pages 288 and 289
   d. Problem 15-1, page 290
   e. Study Guide 15 in workbook

Assessment Procedures

No deviations from normal procedures.

Lesson Fifteen
Pretest Key

1. Describe the primary function of the adjusting entries.

   To bring certain accounts up-to-date

2. Describe one reason why an eight-column work sheet is used rather than a six-column worksheet.

   Two columns are needed for adjustments.

3. List three accounts that need adjusting at the end of the fiscal period.

   a. Supplies
   b. Merchandise inventory
   c. Prepaid insurance

4. List two types of inventory and describe their significance.

   a. Physical - actual count
      Perpetual - a record showing changes in the amounts on hand as the changes occur

   b. Significance: to help keep accurate records

Lesson Fifteen
Posttest Key

1. Describe the primary function of the adjusting entries.

   To bring certain accounts up to date

2. Describe one reason why an eight-column work sheet is used rather than a six-column work sheet.

   Two columns are needed for adjustments.

3. List three accounts that need adjusting at the end of the fiscal period.

   a. Supplies
   b. Merchandise inventory
   c. Prepaid insurance

4. List two types of inventory and describe their significance.

   a. Physical - actual count
      Perpetual - a record showing changes in the amounts on hand as the changes occur

   b. Significance: to help keep accurate records

LESSON SIXTEEN

FINANCIAL STATEMENTS

PURPOSE

The income statement, balance sheet, and capital statement are financial statements that report the status and progress of a business in a convenient form. The learner may not be required to complete these reports, but a knowledge of them and their relationship to the accounting cycle is important.

PERFORMANCE OBJECTIVE

Given two financial statements (an income statement and a balance sheet), the learner will analyze them.

LESSON TIME

Pretest - 30 minutes
Lesson - 60 minutes
Posttest - 30 minutes

NEW VOCABULARY

Cost of merchandise sold	*Cash basis*
Gross profit on sales	*Supporting schedule*
Net loss	*Report form of balance sheet*
Capital statement	*Accrual basis*

Prerequsite Knowledge

The learner should review Chapter 10 in Century 21 Accounting. An understanding of what type of accounts are used in each of the financial reports is very important.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key Posttest Key	*Learner Record Sheet 6* *Financial Report Worksheet* *Financial Report Worksheet* Key	Pretest Posttest	*Financial Report Worksheet*

Special Activities or Concerns

None

Overview

The learner will interpret a balance sheet and income statement on his worksheet. The chances of a clerk preparing financial reports are not too likely, but a clerk should have a good understanding of what financial reports are, who they serve, and their value and importance. The learner should develop these concepts.

Learner Tasks

1. Read Chapter 16, pages 293 through 307 in Century 21 Accounting. (Accounting 10/12 Chapter 5, pages 340 through 346).

2. On the worksheet, analyze each statement and describe at least five key facts that a businessman would want to know about his business.

3. Check your answers to the above worksheet, using the worksheet key.

Supplemental Activities

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points.

   a. The need for and uses of the financial reports
   b. Show where the information comes from to prepare the reports.

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner.

   a. Cases 1 through 4 on page 308
   b. Mastery problem 16-M and bonus problem 16-B on pages 310 and 311

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 16.

   a. Vocabulary, page 307
   b. Study questions, pages 307 and 308
   c. Drills 16-D1, 16-D2, and 16-D3 on pages 308 and 309
   d. Problem 16-1 on page 310
   e. Study guide 16 in workbook

Assessment Procedures

No deviation from normal procedures.

LESSON SIXTEEN

PRETEST KEY

1. Below are two financial statements. Under each statement, analyze and describe at least five key facts that a businessman would want to know about his business.

   Example: Cash represents 28 per cent of his total assets.

Ray's Insurance Agency
Balance Sheet
October 31, 19--

Assets		
Cash	148000	
Supplies	45000	
Office Furniture	320000	
Office Machines	210000	
Automobile	340000	
Total Assets		1063000
Liabilities		
Accounts Payable		520000
Capital		
Jim Ray, Capital		543000
Total Liabilities and Capital		1063000

Interpretation:

a. Cash represents $1480 or 13.9 per cent of his total assets.
b. His worth represents $5430.
c. His debts total $5200.
d. He does not have enough cash to pay his liabilities.
e. Jim Ray's Cash and Supplies represents $1930. of his total assets.

Ray's Insurance Agency
Income Statement
For Quarter Ending October 31, 19--

Income		
Premiums Income		10600.00
Expenses:		
Advertising Expense	74.00	
Automobile Expense	80.00	
Entertainment Expense	35.00	
Misc Expense	49.00	
Rent Expense	3000.00	
Total Expenses		4280.00
Net Income		6320.00

Interpretation:

a. His gross income for 3 months is $10,600.00
b. His expenses totaled $4,280.00.
c. The largest expense item is rent expense.
d. The smallest expense item is entertainment.
e. The net income is $6,320.00.

LESSON SIXTEEN

POSTTEST KEY

1. Below are two financial statements. Under each statement, analyze and describe at least five key facts that a businessman would want to know about his business.

Ed Greenwood Insurance Agency
Balance Sheet
December 31, 19--

Assets		
Cash	200000	
Office Supplies	50000	
Cleaning Supplies	15000	
Prepaid Insurance	20000	
Investments	3500000	
Automobile	380000	
Office Machines	240000	
Office Furniture	300000	
Total Assets		1555000
Liabilities		
Accounts Payable		1005000
Capital		
Ed Greenwood, Capital		550000
Total Liabilities and Capital		1555000

Interpretation:

a. Cash represents $2,000.00.
b. Business has 8 assets.
c. Automobiles, office machines and furniture represents $9,200.00 of the total assets.
d. Liabilities represent $10,050.00.
e. Ed Greenwood's equity represents $5,500.00.

Ed Greenwood Insurance Agency
Income Statement
For Year Ended December 31, 19-

Income:		
Premiums Income		2480000
Expenses:		
Advertising Expense	80000	
Automobile Expense	100000	
Cleaning Expense	50000	
Depreciation Expense	60000	
Entertainment Expense	40000	
Miscellaneous Expense	50000	
Rent Expense	300000	
Salary Expense	600000	
Utilities Expense	110000	
Supplies Expense	70000	
Total Expenses		1460000
Net Income		1020000

Interpretation:

a. Salary represents the largest expense.
b. Expenses represent approximately 58 per cent of gross income.
c. Net income represents approximately 42 per cent of gross income.
d. Entertainment represents the smallest expense.
e. Salary represents approximately 24 per cent of gross income.

LESSON SEVENTEEN

ADJUSTING AND CLOSING ENTRIES

PURPOSE

One of the most important aspects in this lesson is realizing the need for closing entries and the function it serves. The learner must also know where the information comes from that is needed to record the adjusting and closing entries.

PERFORMANCE OBJECTIVE

The learner will describe one example of an income, expense, and capital account that should be closed at the end of the year.

LESSON TIME

Pretest - 30 minutes
Lesson - 60 minutes
Posttest - 30 minutes

PREREQUISITE KNOWLEDGE

The learner should be able to recall much of his accounting vocabulary, classify account titles, and possess the knowledge of debit and credit theory.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	

Special Activities or Concerns

None

Overview

You may become frustrated when a tube in your television set blows out during the eighth inning of the last game of the World Series when the score is tied. (If you don't like baseball, think of another situation where you are left "up in the air.") You want to know the end results! Perhaps a beginning bookkeeper would also like to know what happens in the last phases of the bookkeeping cycle, when the accountant or head bookkeeper takes over. This lesson covers the adjusting and closing entries and the post-closing trial balance.

Learner Tasks

1. Read Chapter 17, pages 313 through 329 in Century 21 Accounting. (Accounting 10/12, Chapter 5, pages 348 through 353).

2. On the exercise sheet describe one example of an income, expense, and proprietorship account that should be closed.

3. Check your answer to the above exercise, using the exercise sheet key.

SUPPLEMENTAL ACTIVITIES

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:

   a. The changes in ledger accounts because of adjustments
   b. Need for closing entries
   c. Function of the drawing account
   d. Purpose of a post-closing trial balance

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner.

   a. Case 1 and 2 on page 330
   b. Problem 17-1 on page 332

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 17.

   a. Study questions, pages 329 and 330
   b. Drills 17-D1, 17-D2, and 17-D3 on pages 330 through 332

ASSESSMENT PROCEDURES

No deviations from normal procedures

Lesson Seventeen

Pretest Key

Give one example each of an income, expense, and proprietorship account that should be closed at the end of the year.

1. Income: (a) Fees
   (b) Sales

2. Expenses: (a) Rent
   (b) Miscellaneous

3. Proprietorship: (a) Income & expense summary
   (b) Drawing

Lesson Seventeen

Posttest Key

Give one example of each of an income, expense, and proprietorship account that should be closed at the end of the year.

1. Income: (a) Fees
   (b) Sales

2. Expenses: (a) Rent
   (b) Miscellaneous

3. Proprietorship: (a) Income & expense summary
   (b) Drawing

LESSON EIGHTEEN

INTRODUCTION TO PAYROLL

PURPOSE

This lesson introduces payroll accounting. We want to instruct the learner in some of the basic payroll duties performed by the accounting clerk and to help him become familiar with some of the common payroll time cards, forms, and records. The learner is also introduced to the social security card and to the withholding exemptions form that is completed when an employee begins a new job or changes his withholding status.

PERFORMANCE OBJECTIVES

The learner will describe a need for and list three steps in the procedure for obtaining a social security card.

Given personal identification and withholding information for an employee, as well as blank W-4 and W-4E forms, the learner will identify the proper withholding exemption certificate and complete the form.

The learner will define FICA Tax, federal unemployment tax, and state unemployment tax.

The learner will list four steps needed to complete the payroll and name the form necessary for each step.

Given employees' identifications, withholding information, income tax withholding tables, payroll register form, and employees' earnings record forms, the learner will complete the payroll register and earning records.

Lesson Time

Pretest - 60 minutes
Lesson - 60 minutes
Posttest - 60 minutes

New Vocabulary

Pay period
Payroll
Payroll taxes
Exemption
Social security taxes
Medicare
FICA tax
Federal unemployment tax
State unemployment tax
Total earnings
Payroll register
Employee's earnings record

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	*Payroll Worksheet*
	Payroll Worksheet		
	Payroll Worksheet Key		

Special Activities or Concerns

None

OVERVIEW

The first part of the payroll system will be presented to the learner in this lesson. Payroll taxes, preparing the payroll, and paying the payroll will be discussed. The learner will study the new withholding exemption form, the W-4E form. If the learner has not completed a social security card application, you may have him complete and mail the form for his future use.

LEARNER TASKS

1. Read Chapter 18, pages 341 through 357 in Century 21 Accounting (Accounting 10/12 Chapter 8, pages 152 through 183).

2. On the exercise sheet, describe a need for and identify three steps in the procedure for obtaining a social security card.

3. On the worksheets provided, read each of the three tasks, related to the W-4, W-4E and 604, and complete the forms.

4. On the exercise sheet define FICA tax, federal unemployment tax, and state unemployment tax.

5. On the exercise sheet list four steps to complete the payroll; identifying the name of the form necessary for each step.

6. Check your answers to the above exercises and worksheet, using the keys provided.

7. Do Study Questions 1 through 5 and questions 7 and 8, pages 357 and 358.

8. Check your responses, using the textbook on page 341 through 349.

9. Do problem 18-1, 18-2, 18-3, and 18-4 on pages 358 and 359.

10. Check your answers with the teacher's edition of the workbook.

SUPPLEMENTAL ACTIVITIES

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:

   a. Need for a social security card and procedures for obtaining the card
   b. Distinguish between the W-4 and W-4E form.
   c. New vocabulary words
   d. Steps for completing the payroll and understanding the use of the forms necessary to complete the payroll

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner.

   a. Cases 1 and 2 on page 358
   b. Bonus Problem 18-B on pages 361 and 362

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 18.

   a. Study Questions on page 357 and 358
   b. Mastery Problem 18-M on page 361
   c. Study Guide in the workbook

ASSESSMENT PROCEDURES

No deviation from normal procedures.

Lesson Eighteen

Pretest Key

1. Describe a need for and list three steps in the procedure for obtaining a social security card.

   Need: Identification purposes

   Procedure:

   a. Obtain application blank
   b. Fill out
   c. Mail

David B. Johnson, a single, 16-year-old student, has just received his first job. He lives at 1422 E. Manhatton Drive, Tempe, Arizona, 85282. His social security number is 471-40-8067. He anticipates an income of $900 for this year.

2. Instructions: Examine the three forms below, then complete and justify the form he would use.

WAGE AND TAX STATEMENT 1972
(For use in States or Cities authorizing combined form)

Employer's State Identification Number

Copy A—For Internal Revenue Service Center

Type or print EMPLOYER'S Federal identification number, name, and address above.

FEDERAL INCOME TAX INFORMATION			SOCIAL SECURITY INFORMATION		STATUS
Federal income tax withheld	Wages paid subject to withholding in 1972 [1]	Other compensation paid in 1972 [2]	FICA employee tax withheld [3]	Total FICA wages paid in 1972 [4]	1. Single 2. Married

EMPLOYEE'S social security number ▶

Name of State | State Form No. | State income tax withheld

Name of City | City Form No. | City income tax withheld

*See Circ. E for sick pay reporting. **Gross wages for State if different from Federal.
[1] Includes tips reported by employee. Amount is before payroll deductions or sick pay exclusion.
[2] Report salary or other employee compensation which was not subject to withholding.
[3] The social security (FICA) rate of 5.2% includes .8% for Hospital Insurance Benefits and 4.6% for old-age, survivors, and disability insurance.
[4] Includes tips reported by employee.

Type or print EMPLOYEE'S name and address (including ZIP code) above.

Uncollected Employee Tax on Tips $

FORM W-2 Department of the Treasury, Internal Revenue Service

EMPLOYER: See instructions on back of Copy D.

Form **W-4**
(Rev. Aug. 1972)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

(This certificate is for income tax withholding purposes only; it will remain in effect until you change it.)

Type or print your full name

Your social security number

Home address (Number and street or rural route)

Marital status
☐ Single ☐ Married
(If married but legally separated, or wife (husband) is a nonresident alien, check the single block.)

City or town, State and ZIP code

1 Total number of allowances you are claiming . . . . . _____

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $

I certify that to the best of my knowledge and belief, the number of withholding allowances claimed on this certificate does not exceed the number to which I am entitled.

Signature ▶ ..... Date ▶ ..... 19.....

PRETEST KEY
(Continued)

Lesson 18

Form **W-4E**

Department of the Treasury
Internal Revenue Service

Exemption From Withholding
(of Federal Income Tax)
For use by employees who incurred no tax liability in 1972 and anticipate no tax liability for 1973

1973

Type or print full name: DAVID B. JOHNSON

Social Security Number: 471-40-8067

Expiration date (see instructions and enter date): 4-30-74

Home address (Number and Street): 1422 E. MANHATTON DR.

City, State, and ZIP Code: TEMPE, ARIZONA 85282

Employee.—File this certificate with your employer. Otherwise he must withhold Federal income tax from your wages.

Employer.—Keep this certificate with your records. This certificate may be used instead of Form W-4 by those employees qualified to claim the exemption.

Employee's certification.—Under penalties of perjury, I certify that I incurred no liability for Federal income tax for 1972 and that I anticipate that I will incur no liability for Federal income tax for 1973.

David B. Johnson
(Signature)

Current date
(Date)

An individual who incurs no liability for federal income tax for the preceding year and anticipates no liability for federal income tax in the present year may file a W-4E form with his employer so no federal income tax will be withheld.

3. Define the following terms:

   a. FICA tax: Federal Insurance Contributions Act (FICA) tax paid to the federal government to be used for employee benefits.

   b. Federal unemployment tax: Tax paid by the employer for administration expenses.

   c. State unemployment tax: Tax assessed by the state to pay benefits to unemployed workers.

4. List four steps to complete the payroll, giving the form necessary for each step.

   a. Complete the time card.

   b. Complete the payroll register.

   c. Complete the employee earnings card.

   d. Pay the payroll, using a check or payroll change sheet

Lesson Eighteen

Pretest Key

Part I

The total earnings of Debra Richardson for the 13 weeks in the quarterly period July through September of the current year are given below, together with the deductions for hospital insurance.

5. Instructions: Complete the employees earnings record for Debra Richardson for the third quarter of the current year.

   In addition to her deductions for hospitalization insurance, the following deductions for taxes should be made:

   a. A deduction of 5.85 per cent of her total earnings each week is to be made for FICA taxes.

   b. A deduction is to be made from her total earnings each week for her income tax withheld. Miss Richardson claims only one withholding exemption for herself. She is single.

PRETEST KEY - PART I
(Continued)

EARNINGS RECORD

Pay Per. Week	Pay Per. End.	Total Earnings	Deductions: Inc. Tax	Deductions: FICA Tax	Deductions: Hosp.Ins.	Deductions: Other	Deductions: Total	Net Pay	Acc. To:
									34808.80
	7/6	85.00	9.80	4.97	6.00		20.77	64.23	35565.80
	7/13	86.00	10.20	5.03			15.23	70.77	36518.80
	7/20	87.00	10.20	5.09			15.29	71.71	37388.80
	7/27	85.00	9.80	4.97			14.77	70.23	38238.80
	8/3	87.00	10.20	5.09	6.00		21.29	65.71	39108.80
	8/10	86.00	10.20	5.03			15.23	70.77	39968.80
	8/17	87.00	10.20	5.09			15.29	71.71	40838.80
	8/24	85.00	9.80	4.97			14.77	70.23	41688.80
	8/31	87.00	10.20	5.09			15.29	71.71	42558.80
	9/7	86.00	10.20	5.03	6.00		21.23	64.77	43418.80
	9/14	85.00	9.80	4.97			14.77	70.23	44268.80
12	9/21	86.00	10.20	5.03			15.23	70.77	45128.80
	9/28	87.00	10.20	5.09			15.29	71.71	45998.80
Quarter Tot.		1119.00	131.00	65.45	18.00		214.45	904.55	

Lesson Eighteen

Pretest Key

Part II

Holden Products pays its employees by check. For each pay period the bookkeeper prepares a payroll register showing the total earnings, the deductions and the net pay of each employee.

5. Instructions (continued) Prepare the payroll register. The date of payment is January 15. Payroll checks, beginning with the one for Mr. Alden on line 1, are numbered consecutively. Mr. Alden's payroll check is No. 308.

PRETEST KEY - PART II (Continued)

PAYROLL REGISTER

	Empl. No.	Name	Marital Status	No. of Exemptions	Total Earnings	Deductions: Inc. Tax	Deductions: FICA Tax	Deductions: Hosp. Ins.	Deductions: Other	Deductions: Total	Net Pay	Ck. No.
1	1	Alden, Ralph A.	M	5	127 00	6 60	7 43			14 03	112 97	308
2	8	Bauer, Martha	S	1	116 00	16 60	6 79			23 39	92 61	309
3	3	Coulter, Dean	S	1	108 00	14 50	6 32			20 82	87 18	310
4	10	Epps, Melvin	M	4	129 00	8 90	7 55			16 45	112 55	311
5	7	Eske, Darryl E.	S	1	86 00	10 20	5 03			15 23	70 77	312
6	5	Finney, Donald	M	3	130 00	12 00	7 61			19 61	110 39	313
7	9	Hoose, Harry C.	S	1	85 00	9 80	4 97			14 77	70 23	314
8	4	Ingt, Landy	S	1	96 00	12 30	5 62			17 92	78 08	315
9	2	Turner, Sarah	S	1	108 00	14 50	6 32			20 82	87 18	316
10	6	Witter, Ben	M	2	115 00	11 90	6 73			18 63	96 37	317
22		Totals			1100 00	117 30	64 37			181 67	918 33	

428

Lesson Eighteen

Posttest Key

1. Describe a need for and list three steps in the procedure for obtaining a social security card.

   Need: Identification purposes

   Procedure:

   a. Obtain an application blank

   b. Fill out

   c. Mail

POSTTEST KEY
(Continued)

Lesson 18

David B. Johnson, a single 18-year-old student, has just received his first job. He lives at 1422 E. Manhatton Drive, Tempe, Arizona, 85282. His social security number is 471-40-8067. He anticipates an income of $2,900 for this year.

2. Instructions: Examine the three forms below, then complete and justify the form he would use.

1

WAGE AND TAX STATEMENT 1972
(For use in States or Cities authorizing combined form)

Type or print EMPLOYER'S Federal Identification number, name, and address above.

Employer's State Identification Number

Copy A—For Internal Revenue Service Center

FEDERAL INCOME TAX INFORMATION		
Federal income tax withheld	Wages paid subject to withholding in 1972 [1]	Other compensation paid in 1972 [2]

SOCIAL SECURITY INFORMATION		STATUS	
FICA employee tax withheld [3]	Total FICA wages paid in 1972 [4]	1. Single 2. Married	* **

EMPLOYEE'S social security number ▶

Name of State	State Form No.	State income tax withheld
Name of City	**City Form No.**	**City income tax withheld**

*See Circ. E for sick pay reporting. **Gross wages for State if different from Federal.
[1] Includes tips reported by employee. Amount is before payroll deductions or sick pay exclusion.
[2] Report salary or other employee compensation which was not subject to withholding.
[3] The social security (FICA) rate of 5.2% includes .6% for Hospital Insurance Benefits and 4.6% for old-age, survivors, and disability insurance.
[4] Includes tips reported by employee.

Type or print EMPLOYEE'S name and address (including ZIP code) above.

Uncollected Employee Tax on Tips . . . $

FORM W-2 Department of the Treasury, Internal Revenue Service

EMPLOYER: See instructions on back of Copy D.

Form **W-4**
(Rev. Aug. 1972)
Department of the Treasury
Internal Revenue Service

Employee's Withholding Allowance Certificate

(This certificate is for income tax withholding purposes only; it will remain in effect until you change it.)

Type or print your full name
DAVID B. JOHNSON

Your social security number
471-40-8067

Home address (Number and street or rural route)
1422 E MAHATTON DR.

Marital status
☒ Single ☐ Married
(If married but legally separated, or wife (husband) is a nonresident alien, check the single block.)

City or town, State and ZIP code
TEMPE, ARIZ. 85282

1 Total number of allowances you are claiming 1

2 Additional amount, if any, you want deducted from each pay (if your employer agrees) . . . . . $ -0-

I certify that to the best of my knowledge and belief, the number of withholding allowances claimed on this certificate does not exceed the number to which I am entitled.

Signature ▶ David B. Johnson 130 Date ▶ Current date 19

POSTTEST KEY
(Continued)

Lesson 18

Form **W-4E**

Department of the Treasury
Internal Revenue Service

Exemption From Withholding
(of Federal Income Tax)
For use by employees who incurred no tax liability in 1972 and anticipate no tax liability for 1973

1973

Type or print full name	Social Security Number	Expiration date (see instructions and enter date)

Home address (Number and Street)

City, State, and ZIP Code

Employee.—File this certificate with your employer. Otherwise he must withhold Federal income tax from your wages.

Employer.—Keep this certificate with your records. This certificate may be used instead of Form W-4 by those employees qualified to claim the exemption.

Employee's certification.—Under penalties of perjury, I certify that I incurred no liability for Federal income tax for 1972 and that I anticipate that I will incur no liability for Federal income tax for 1973.

(Signature)

(Date)

Justification for Use:

1. The amount of money he makes warrants the completion of the W-4 form for federal income tax withholding purposes.

2. The employer uses the information in this form to determine the correct amount of money to withhold for federal income tax.

3. Define the following terms:

   a. FICA tax: Federal Insurance Contributions Act (FICA) tax paid to the federal government to be used for employees benefits.

   b. Federal unemployment tax: Tax paid by the employer for administrative expenses.

   c. State unemployment tax: Tax assessed by the state to pay benefits to unemployed workers.

4. List four steps needed to complete the payroll, giving the form necessary for each step.

   a. Complete the time card.

   b. Complete the payroll register.

   c. Complete the employee earnings card.

   d. Pay the payroll using a check or payroll change sheet.

5. Complete the payroll for John Doe. Use the current date for the pay period.

   Fill out John's time card, payroll register, and earnings record.

   Information:

   a. Name: John Doe

   b. Single

   c. One exemption

   d. Address: 409 Spence Ave., Tempe, Arizona 85281

   e. 26 years old

   f. Social security number: 477-52-0053

   g. Employee number: 4

   h. $3.00 per hour

   i. Works 8-12, 1-5 Monday through Friday

   j. Works 40 hours per week as a clerk

   k. Paid by check weekly

3. Define the following terms:

   a. FICA tax: Federal Insurance Contributions Act (FICA) tax paid to the federal government to be used for employees benefits.

   b. Federal unemployment tax: Tax paid by the employer for administrative expenses.

   c. State unemployment tax: Tax assessed by the state to pay benefits to unemployed workers.

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   a. Complete the time card.

   b. Complete the payroll register.

   c. Complete the employee earnings card.

   d. Pay the payroll using a check or payroll change sheet.

5. Complete the payroll for John Doe. Use the current date for the pay period.

   Fill out John's time card, payroll register, and earnings record.

   Information:

   a. Name: John Doe

   b. Single

   c. One exemption

   d. Address: 409 Spence Ave., Tempe, Arizona 85281

   e. 26 years old

   f. Social security number: 477-52-0053

   g. Employee number: 4

   h. $3.00 per hour

   i. Works 8-12, 1-5 Monday through Friday

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   a. FICA tax: Federal Insurance Contributions Act (FICA) tax paid to the federal government to be used for employees benefits.

   b. Federal unemployment tax: Tax paid by the employer for administrative expenses.

   c. State unemployment tax: Tax assessed by the state to pay benefits to unemployed workers.

4. List four steps needed to complete the payroll, giving the form necessary for each step.

   a. Complete the time card.

   b. Complete the payroll register.

   c. Complete the employee earnings card.

   d. Pay the payroll using a check or payroll change sheet.

5. Complete the payroll for John Doe. Use the current date for the pay period.

   Fill out John's time card, payroll register, and earnings record.

   Information:

   a. Name: John Doe

   b. Single

   c. One exemption

   d. Address: 409 Spence Ave., Tempe, Arizona 85281

   e. 26 years old

   f. Social security number: 477-52-0053

   g. Employee number: 4

   h. $3.00 per hour

   i. Works 8-12, 1-5 Monday through Friday

   j. Works 40 hours per week as a clerk

   k. Paid by check weekly

No. 4 PAY ENDING Current date

NAME Doe, John

IN	OUT	IN	OUT	IN	OUT	
8	12	1	5			8
8	12	1	5			8
8	12	1	5			8
8	12	1	5			8
8	12	1	5			8

DEDUCTIONS HRS. 40

W.T. 17.60 @ $3.00

F.I.C.A. 7.02 TOTAL 120.00

DED. 24.62

TOTAL $24.62 NET $95.38

[illegible] REGISTER

Empl. No.	Name	Marital Status	No. of Exemptions	Total Earnings	Deductions: Inc. Tax	FICA Tax	Hosp. Ins.	Other	Total	Net Pay	Ck. No.
4	John Doe	S	1	12000	1760	702			2462	9538	

EARNINGS RECORD

Pay Per. Week	Pay Per. End	Total Earnings	Deductions: Inc. Tax	Deductions: FICA Tax	Deductions: Hosp. Ins.	Deductions: Other	Deductions: Total	Net Pay	Acc. To
1	CURRENT	120.00	17.60	7.02			24.62	95.38	120.00
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
Quarter Tot.									

LESSON NINETEEN

RECORDING THE PAYROLL

PURPOSE

The goal of this unit is to develop a job entry level accounting clerk. However, the learner may find areas in the unit that he is more inclined toward because of his ability or interest. Payroll accounting may be one of these areas. The learner has studied the basic payroll accounting procedures. Regardless of the size of the company or the method of completing the payroll, these procedures will remain the same, so that the accounting clerk can use this information to advance to a higher position.

You will recall that journalizing transaction increases accuracy and provides a record of transactions in chronological order. The journal, or permanent record form, is also not lost as easily as a piece of paper. (There are exceptions to this statement, unfortunately.) Recording the payroll is one of the areas discussed in this lesson. Other areas are computing, recording, and paying employer's payroll taxes and the Wage and Tax Statement, Form W-2.

PERFORMANCE OBJECTIVES

The learner will list one account to be debited and four accounts to be credited when recording the payroll entry in the journal.

The learner will describe why taxes, donations, and insurance premiums withheld from an employee's total earnings are recorded as a liability of the business.

Given the completed payroll amounts, the learner will record the payroll entry in the combination journal.

Given the amount of the payroll, income taxes withheld, payroll and unemployment tax rates, and donations or insurance premiums withheld, the learner will compute the payroll taxes, as well as record the entry for paying the payroll and payroll taxes in the combination journal.

The learner will describe the function of the Wage and Tax Statement, Form W-2.

LESSON TIME

Pretest - 60 minutes
Lesson - 90 minutes
Posttest - 50 minutes

LEARNER PREREQUISITE KNOWLEDGE

The learner should have an understanding of the vocabulary used in Lesson 18 and the ability to classify the payroll accounts introduced in the lesson.

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	

Special Activities of Concerns

Make sure the learner record sheet is completely signed before the learner goes on to the next lesson.

Overview

The learner will be covering the accounting theory in payroll systems. He will learn how to record the payroll and record the payroll liabilities. He should understand the function of the Wage and Tax Statement and be familiar with the account titles used in recording the payroll.

Learner Tasks

1. Read Chapter 19, pages 363 throught 376 in Century 21 Accounting.

2. Do Study Question 3 on page 376. Review pages 364 and 365 in the text for the solution.

3. On the exercise sheet describe why taxes, donations, and insurance premiums withheld from an employee's total earnings are recorded as a liability of the business. Check the answer, using the exercise sheet key.

4. Do Problems 19-1 and 19-2 on pages 378 and 379. Check the problems, using the teacher's edition of the workbook.

5. Do Study Question 11 on page 377 in the textbook. Check your answer with pages 373 and 374.

Supplemental Activities

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:
   a. Recording the payroll
   b. Recording the employer's payroll taxes
   c. Paying the taxes
   d. Account titles introduced in the lesson and their classifications
   e. W-2 and W-3 forms

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner.
   a. Cases 1 and 2 on page 377
   b. Bonus Problem 19-B on pages 380 and 381

3. The following tasks from Century 21 Accounting may be used in conjuction with Lesson 19.
   a. Study Questions on page 376
   b. Mastery Problem 19-M on pages 379 and 380
   c. Study Guide 19 in the workbook

Assessment Procedures

No deviations from normal procedures.

Lesson Nineteen

Pretest Key

1. List one account to be debited and four accounts to be credited when recording the payroll entry in the journal.

Debit

a. Salary Expense

Credit

b. Cash
c. Employees Income Tax Payable
d. FICA Taxes Payable
*e. U.S. Savings Bonds Payable
*f. United Fund (Appeal) Donation Payable

*Possible solutions

2. Describe why taxes, donations, and insurance premiums withheld from an employee's total earnings are recorded as a liability of the business.

Until these amounts are paid to the intended recipients, they are liabilities of the company because the funds are not owned by the company.

3. Using the following information, record the payroll entry in the combination journal.

a.	Total earnings	$865.00
b.	FICA tax	38.04
c.	Income tax	90.50
d.	U.S. Savings Bonds	5.00
e.	United Appeal donations	2.00
f.	Date: Jan. 15, 19--	
g.	Check No. 404	

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COMBINATION JOURNAL

1	2				3	4	
Cash					General		
Debit	Credit	Date	Account Title	Doc. No.	P.R.	Debit	Credit
	729 46	Jan 15	Salary Expense	Ck. 404		865 00	
			FICA Taxes Payable				38 04
			Emp. Income Tax Pay.				90 50
			U.S. Savings Bonds Pay.				5 00
			United Appeal Don. Pay.				2 00

4. David Stokes, owner of a men's clothing store, completed the payroll transactions given below:

Mar. 28. Issued check no. 52 in payment of the monthly payroll of $1502.00 less deductions of $170.65 for income taxes and $78.10 for FICA taxes

28. Recorded the employer's payroll taxes at the following rates: FICA taxes, 5.85%; state unemployment taxes, 2.7%; federal unemployment taxes, .5%.

Apr. 10. Issued check no. 53 in payment of the liabilities for FICA taxes and employee income taxes withheld.

30. Issued check no. 74 in payment of the monthly payroll of $1496.25 less deductions of $162.20 for income taxes and $77.81 for FICA taxes.

30. Recorded the employer's payroll taxes at the following rates: FICA taxes, 5.85%; state unemployment taxes 2.7%; federal unemployment taxes, .5%.

May 10. Issued check no. 82 in payment of the liabilities for FICA taxes and employee income taxes withheld.

10. Issued check no. 83 in payment of the liability for state unemployment taxes.

INSTRUCTIONS: Record the transactions on page 17 of a combination journal. Use the current year in the date. (Suggestion: Use T-accounts to post journal entries.)

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COMBINATION JOURNAL

1 Cash Debit	2 Cash Credit	Date	Account Title	Doc. No.	P.R.	3 General Debit	4 General Credit
	124348	Mar 28	Salary Expense	Ck.52		150200	
			Emp. Inc. Taxes Pay.				17065
			F.I.C.A. Taxes Pay.				8787
		28	Payroll Tax Expense			13593	
			F.I.C.A. Taxes Pay.				8787
			State Unemp. Tax Pay.				4055
			Fed. Unemp. Tax. Pay.				751
	34639	Apr 10	F.I.C.A. Taxes Payable	Ck.53		17578	
			Emp. Inc. Taxes Payable				
	124652	30	Salary Expense	Ck.74		149625	
			Emp. Inc. Tax. Pay.				16220
			F.I.C.A. Taxes Payable				8753
		30	Payroll Tax Expense			13541	
			F.I.C.A. Taxes Pay.				8753
			State Unemp. Tax. Pay.				4046
			Fed. Unemp. Tax. Pay.				748
	33726	May 10	F.I.C.A. Taxes Payable	Ck.82		17506	
			Emp. Inc. Taxes Payable			16220	
	8095	10	State Unemploy. Tax. Pay	Ck.83		8095	

5. Describe the function of the Wage and Tax Statement, Form W-2.

   The function of the Wage and Tax Statement, Form W-2, is to show the total earnings of an employee and the amounts withheld for taxes. It is a form that is issued by the employer and is used by the employee when filing his income tax return. The employer also sends one copy of the W-2 to the federal government.

LESSON NINETEEN

POSTTEST KEY

1. List one account to be debited and four accounts to be credited when recording the payroll entry in the journal.

   Debit

   a. Salary Expense

   Credit

   b. Cash
   c. Employees Income Tax Payable
   d. FICA Taxes Payable
   e. Hospital Insurance Premium Payable
   *f. U.S. Savings Bonds Payable
   *g. United Fund (Appeal) Donations Payable

*Possible solutions

2. Describe why taxes, donations, and insurance premiums withheld from an employee's total earnings are recorded as a liability of the business.

   Until these amounts are paid to the intended recipients they are liabilities of the company because the funds are not owned by the company.

3. Using the following information, record the payroll entry in the combination journal.

a.	Total earnings	$1502.00
b.	Income tax	65.93
c.	FICA tax	78.10
d.	Hospital insurance premium	100.00
e.	Date: May 15, 19--	
f.	Check No. 701	

Page 8

COMBINATION JOURNAL

1	2					3	4
Cash						General	
Debit	Credit	Date	Account Title	Doc. No.	P.R.	Debit	Credit
	1257 97	19-- May 15	Salary Expense	Ck. 701		1502 00	
			Employ. Inc. Tax Pay				65 93
			FICA Taxes Pay.				78 10
			Hosp. Ins. Prem. Pay				100 00

4. Dan Jones, owner of a hardware store, completed the payroll transactions given below:

Mar. 30. Issued check no. 443 in payment of the monthly payroll of $1290.00 less deductions of $130.52 for income taxes and $75.47 for FICA taxes.

30. Recorded the employer's payroll taxes at the following rates: FICA taxes, 5.85%; state unemployment taxes, 2.7%; federal unemployment taxes, .5%.

Apr. 8. Issued check no. 460 in payment of the liabilities for FICA taxes and employee income taxes withheld.

30. Issued check no. 525 in payment of the monthly payroll of $1200.00 lesson deductions of $130.03 for income taxes and $70.20 for FICA taxes.

30. Recorded the employer's payroll taxes at the following rates: FICA taxes, 5.85%; state unemployment taxes, 2.7%; federal unemployment taxes, .5%.

May 7. Issued check no. 543 in payment of the liabilities for FICA taxes and employee income taxes withheld.

10. Issued check no. 550 in payment of the liability for state unemployment taxes.

INSTRUCTIONS: Record the transactions in a combination journal on page 24. Use the current year in the date.

Page 24

COMBINATION JOURNAL

	1 Cash Debit	2 Cash Credit	Date	Account Title	Doc. No.	P.R.	3 General Debit	4 General Credit
		108401	Mar 30	Salary Expense	CR443		129000	
				Emp. Inc. Taxes Pay				13052
				FICA Taxes Pay.				7547
4			30	Payroll Tax Expense			11030	
5				FICA Taxes Payable				7547
6				State Unemp. Tax Pay.				3483
7				Fed. Unemp. Tax Pay.				645
8		28146	Apr 8	FICA Taxes Pay.	CR460		15094	
9				Emp. Inc. Tax. Pay.			13052	
10		99977	30	Salary Expense	CR525		120000	
11				Emp. Inc. Tax. Pay				13003
12				FICA Tax. Pay				7020
13			30	Payroll Tax Expense			10860	
14				FICA Tax Pay.				7020
15				State Unemp. Tax. Pay.				3240
16				Fed. Unemp. Tax. Pay.				600
17		27043	May 7	FICA Taxes Pay.	CR543		14040	
18				Emp. Inc. Tax. Pay.			13003	
19		6723	10	State Unemp. Tax. Pay.	CR550		6723	

5. Describe the function of the Wage and Tax Statement, Form W-2.

   The function of the Wage and Tax Statement, Form W-2, is to show the total earnings of an employee and the amounts withheld for taxes. It is a form that is issued by the employer and is used by the employee when filing his income tax return. The employer also sends one copy of the W-2 to the federal government.

LESSON TWENTY

DATA PROCESSING

PURPOSE

"Data processing" is often a term that causes the learner to think of walls of computers, scientists, and "I will never be able to understand it." In this lesson, he learns that data processing is handling data, an activity that he will do every day as an accounting clerk. The learner will be introduced to three data processing systems--manual, mechanical and electronic. The primary emphasis is data processing theory and not development of a skill.

PERFORMANCE OBJECTIVES

The learner will define data processing and describe one goal of data processing.

The learner will list three types of data processing systems and describe one example of each system.

The learner will list and describe the four phases of the data processing system.

The learner will list the four steps in the data processing cycle and describe the steps from the accounting cycle that are comparable to it.

LESSON TIME

Pretest - 35 minutes
Lesson - 120 minutes
Posttest - 25 minutes

New Vocabulary

Data processing

Data processing system

Input

Processing

Storage

Output

Write-it-once principle

Automated data processing cycle

Input media

Output media

Data communications

Punched card

Unit record card

Unit record equipment

Unit record system

Unit set

Packing list

Pegboard

Automation

Automated data processing system

Symbolic flow chart

Data processing cycle

Card punch

Verifying

Verifier

Sorter

Merging

Collator

Tabulator

Calculator

Resources Included with Lesson

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key	Exercise Sheet	Pretest	Exercise Sheet
Posttest Key	Exercise Sheet Key	Posttest	
	Learner Record Sheet 7		

Special Activities or Concerns

None

Overview

Although an instructor cannot forecast the degree of data processing knowledge that a learner will be required to know for job-entry skills, he can simplify the training by helping him become aware of procedures and equipment used in data processing. The write-it-once principle in manual data processing is a procedure that should be learned in the beginning and can be applied in each data processing system.

The learner will cover many of the data processing concepts. He will learn of the three types of data processing systems and the four phases of the data processing system. The learner will also cover the steps in the data processing cycle and comparable steps from the accounting cycle.

Learner Tasks

1. Read Chapters 20 and 21, pages 383 through 419 in Century 21 Accounting (Accounting 10/12, Chapters 1 through 3, pages 362 through 457).

2. On your exercise sheet, define and describe one goal of data processing.

3. On your exercise sheet, list three types of data processing systems and describe one example of each system.

4. Do Study Question 4 on page 400.

5. Do Study Questions 2 and 3 on page 420.

6. Check your answers to Tasks 2 and 3 with the exercise sheet key and refer to pages 387, 403, and 405 to check the answers to Tasks 4 and 5.

Supplemental Activities

1. After the learners have read the material assigned in the text, a classroom lecture may be given emphasizing the following points:

   a. Vocabulary of data processing
   b. Three types of data processing system
   c. Four phases of the data processing system
   d. The steps in the data processing cycle and comparable steps from the accounting cycle

2. The following tasks from Century 21 Accounting may be used in conjunction with the lesson for the accelerated learner.

   a. Cases 1 and 2 on page 400
   b. Problems 20-1, 20-2, and 20-3 on pages 401 and 402
   c. Cases 1 and 2 on page 421
   d. Chapter 22, pages 425 through 446
   e. Case 1 on page 448
   f. Problem 22-1 and 22-2 on pages 448 through 451

3. The following tasks from Century 21 Accounting may be used in conjunction with Lesson 20.

   a. Vocabulary on pages 399 and 420
   b. Study Questions on pages 400 and 420
   c. Problem 21-1, 21-2, 21-3, 21-4 on pages 421 through 424.
   d. Study Guides 20 and 21 in the workbook

Assessment Procedures

No deviation from normal procedures.

Lesson Twenty

Pretest Key

1. Define data processing and describe one goal of data processing.

   Data processing is the handling of data.

   A goal of data processing is to achieve accurate, up-to-date information as quickly and economically as possible.

2. List three types of data processing systems and describe one example of each system.

	System	Example of System
a.	Manual	Pegboard
b.	Mechanical	Calculator
c.	Electronic	Computer

3. List and describe the four phases of the data processing system.

   a. Input - Data to be processed

   b. Processing - Handling and manipulation of data

   c. Storage - Holding of data

   d. Output - Information produced by the system

4. List the four steps in the data processing cycle and describe the step from the accounting cycle that is comparable to it.

   a. Input - Journalizing transactions from source documents

   b. Processing - Posting, preparing the work sheet, and journalizing the adjusting and closing entries

   c. Storage - Information is retained in ledgers or files

   d. Output - Financial reports are prepared

Lesson Twenty

Posttest Key

1. Define data processing, and describe one goal of data processing.

   Data processing is the handling of data.

   A goal of data processing is to achieve accurate, up-to-date information as quickly and economically as possible.

2. List three types of data processing and describe one example of each system.

System	Example of System
a. Manual	Pegboard
b. Mechanical	Calculator
c. Electronic	Computer

3. List and describe the four phases of the data processing system.

   a. Input - Data to be processed

   b. Processing - Handling and manipulation of data

   c. Storage - Holding of data

   d. Output - Information produced by the system

4. List the four steps in the data processing cycle and describe the step from the accounting cycle that is comparable to it.

   a. Input - Journalizing transactions from source documents

   b. Processing - Posting, preparing the work sheet, and journalizing the adjusting and closing entries

   c. Storage - Information is retained in ledgers or files

   d. Output - Financial reports are prepared

LESSON TWENTY-ONE

SELF-EVALUATION

PURPOSE

The learner has almost completed the instruction in account theory. Before he continues, he will be required to evaluate himself. Although the question "Are you going to continue in accounting?" is asked in a straight-forward manner, when the learner decides if he should develop related skills in accounting, he is determining what he would like to do with the accounting knowledge he has gained.

In this lesson, the instructor and learner will use the pretest as a basis for the learner's ability to evaluate himself.

PERFORMANCE OBJECTIVE

The learner will describe his attitude toward becoming an accounting clerk, describe at least three of his strengths and one area for improvement, and make a "Yes" or "No" decision whether he should develop related skills that are needed in accounting.

LESSON TIME

Pretest - 20 minutes
Lesson - 80 minutes
Posttest - 20 minutes

Instructor's Packet	Learner's Packet	Test Packet	Exercise and Worksheet Packet
Pretest Key Posttest Key	*Self-Evaluation Worksheet* *Self-Evaluation Worksheet* Key	Pretest Posttest	*Self-Evaluation Worksheet*

Special Activities or Concerns

All objectives on *Learner Record Sheet 7* must be signed.

A copy of the Occupational Outlook Handbook should be available for the learner's use. If the learner does not have the *Job and Skill Description Worksheet* from Lesson 1, the instructor should duplicate copies from his master copy for use in this lesson.

Overview

The learner will evaluate himself through the use of the *Self-Evaluation Worksheet, Job and Skill Description Worksheet* found in Lesson 1, and the Occupational Outlook Handbook. The learner will describe his attitude and give strengths and weaknesses he might possess in regards to becoming an accounting clerk.

It is very important that the learner's evaluation be discussed with the instructor. At this time, you may encourage the learner to continue in accounting. Suggest remedial assignments in weak areas before the learner continues, or channel the learner into another career cluster.

If the learner has been very successful, he may agree to a course of study directed toward a higher level of learning. The enrichment assignments in the following lessons may be used to achieve this goal.

Learner Tasks

1. Reread the *Job and Skill Description Worksheet* found in Lesson 1.

2. Read the section on bookkeeping workers in the Occupational Outlook Handbook.

3. Talk with school personnel, such as instructors or counselors, or with adult members of your family about a possible career choice in the field of accouting.

4. Complete the *Self-Evaluation Worksheet*.

5. Review the *Self-Evaluation Worksheet*, using the worksheet key.

Assessment Procedures

The assessment procedure for this lesson will be for the instructor to determine whether the learner "passes" or "fails" the pretest and posttest. The responses to the assessment items will differ with each individual.

If the learner's conclusions are factual, perceptive, and relevant to the question, they should be considered a correct response.

Lesson Twenty-One

Pretest Key

1. Describe your attitude toward the course of study you have chosen.

2. List at least three of your strengths and one area for self-improvement in the field of accounting.

3. Answer "Yes" or "No" to the question "Should I develop related skills that are needed in accounting as a career choice?" and explain your answer.

A key cannot be provided that will list the right and wrong answers for this pretest. The instructor should check to see if all the questions were answered. On the pretest, he may judge the learner's perception of himself and his career choice. How does he see that his strengths or weaknesses affect his career choice? Does he know what accounting as a career choice involves? Does he know what related skills are thought necessary in accounting?

Because an accountant may also need to write reports for his superiors, it is important that the answer to this pretest be given in a neat and correct manner. This does not eliminate the possibility of the learner responding orally from written notes or a report.

Lesson Twenty-One

Posttest Key

1. Describe your attitude toward the course of study you have chosen.

2. List at least three of your strengths and one area for self-improvement in the field of accounting.

3. Answer "Yes" or "No" to the question "Should I develop related skills that are needed in bookkeeping as a career choice?" and explain your answer.

The instructor should check to see if all the questions were answered. The instructor may judge the learner's perception of himself and his career choice. Does he see where his strengths and weaknesses affect his career choice? Does he know what accounting as a career choice involves? Does he know what related skills are thought necessary in accounting?

If the learner was unsuccessful on the pretest, the instructor should note the new awareness that the learner has acquired.

Because an accountant may need to write reports for his superiors, it is important that the answers to these questions be given in a neat and correct manner. This does not eliminate the possibility of the learner responding orally from written notes or a report.

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